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DRUG INTERDICTION EFFORT IN NEW YORK CITY

HEARING

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
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CONTENTS

NONDEPARTMENTAL WITNESSES

	Page
Opening statement of Senator Abdnor	1
Statement of Hon. Alfonse D'Amato, U.S. Senator from New York	2
Statement of John Keenan, coordinator for criminal justice, New York City, and chairman of the board, Daytop Village	4
Statement of Sterling Johnson, New York State Special Narcotics Prosecutor for New York City	10
Statement of Ronald Garnett, supervisor, Lower East Side Project	13

DEPARTMENT OF THE TREASURY

Office of the Assistant Secretary

Statement of John Walker, Assistant Secretary of the Treasury	23
Statement of Dennis T. Snyder, regional commissioner, U.S. Customs Services for the New York region	28
Prepared statement	29

U.S. Coast Guard

Statement of Vice Adm. Wayne E. Caldwell, commander, U.S. Coast Guard, Atlantic area	45
Prepared statement	45

Drug Enforcement Administration

Statement of Thomas Cash, assistant special agent, Drug Enforcement Administration, New York field division	48

DRUG INTERDICTION EFFORT IN NEW YORK CITY

TUESDAY, SEPTEMBER 6, 1983

U.S. SENATE,
SUBCOMMITTEE ON TREASURY, POSTAL SERVICE,
AND GENERAL GOVERNMENT,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The Subcommittee on Treasury, Postal Service, and General Government of the Appropriations Committee met at 11 a.m., at Governor's Island, New York, N.Y., Hon. James Abdnor, South Dakota, presiding.

Present: Senators Abdnor and Alfonse D'Amato of New York.

Also present: Representative Gilman of New York.

NONDEPARTMENTAL WITNESSES

OPENING STATEMENT OF SENATOR ABDNOR

Senator ABDNOR. The subcommittee will come to order.

Today the U.S. Senate Committee on Appropriations, Subcommittee on Treasury, Postal Service, and General Government, will continue its oversight hearing on the drug problem facing the Nation.

I want to say we are doing so here in New York City at the urging of my good friend, Senator D'Amato, who has been a one-man army doing war on the drug problem. It is a massive problem and we are happy to come here because we are well aware of the situation.

This subcommittee has been deeply involved in the effort to coordinate in the country's upgrading of efforts of drug interdiction and believe this type of hearing will aid in the efforts.

There is no doubt that this country is facing a problem in which drugs have been playing an ever increasing role.

The President has made his intentions perfectly clear, he is pushing forward with the war on drugs.

The subcommittee has been intimately involved with the development of the Vice President's South Florida Task Force.

That effort has proven highly successful in the efforts to combat the importation of illegal drugs, but it sometimes becomes almost a hopeless battle, but we do and must start to make some headway on the problem.

All of the Nation's law enforcement agencies have been brought together to provide a united front in the interdiction effort.

That is the point that I wanted to mention; that is the point that is most important.

This success can be documented. The problem has by no means been eliminated. There is big, big money in drug trafficking, and our success in Florida has forced a change in the operation for traffickers and subsequently enforcement problems for other persons, certainly New York is one.

CREATION OF NEW TASK FORCES

The success in south Florida has prompted the President to seek creation of 12 new task forces. These task forces will be based on experiences learned in south Florida and will be tailored to the areas that they are headed for.

This subcommittee is devoting a sizable contribution for the creation of the task force in this year, 1984. We believe it is a very good investment, we intend to provide all the resources we can to continue the fight against the drug problem.

RECOGNITION OF SENATOR D'AMATO

I do want to recognize Senator D'Amato, but I just want to mention that we are going to hear from witnesses representing the different Federal agencies involved, as well as State officials.

Senator D'Amato, you have been, I know, a strong, strong law enforcement advocate for some time and you have been active particularly in efforts to combat the drug problems, one I know, and you are doing a great job for all of this country. I am happy to be here today to contribute whatever little this committee can and you have some comments.

STATEMENT OF SENATOR D'AMATO

Senator D'AMATO. First of all, Mr. Chairman, let me thank you for taking your time and for authorizing this hearing.

We would like to welcome you here to New York for this most important hearing on drug interdiction and enforcement activities at both the Federal and local levels.

This Nation is under seige. Our adversary is cunning and nefarious. It has infiltrated our borders and continues its vicious assault on many fronts. This enemy is ripping apart the very fabric of our society and threatening the well-being of future generations.

I am, of course, referring to this Nation's public enemy No. 1, drugs.

Narcotics are poisoning the minds of our children, our most precious resource. They are a chief cause of violent crime in this Nation. Certain communities have literally been taken over by the drug traffickers.

SITUATION ON NEW YORK'S LOWER EAST SIDE

This past week was one of the most shocking and enlightening I have spent as a U.S. Senator. Last Monday, I walked through the Lower East Side of the city and saw the so-called shooting galleries and smoke shops. I saw and spoke with young children who will know no other way of life than the life of drugs.

I met a young man who travels each and every day from Queens to get shot up with heroin. I was shocked when a police inspector told me that a thin wire strung between two vacant buildings was actually a warning device for the drug dealers. This area in New York City has, in essence, been ceded to the pushers and to the traffickers, to the criminal element. Decent people are trapped. Decent people are fearful.

I can show you a note that was handed to me by a father of six children who said that he could no longer permit his children to use the streets of New York, that he was fearful, they were good children, but that he didn't know how long it would be before they became affected.

This past Thursday, I conducted a hearing at which educators, community leaders and students testified on narcotics in the schools. It was absolutely incredible to hear stories of youngsters who began taking drugs at the ages of 7 and 10 years old.

The nationwide magnitude of drug trafficking has reached epidemic proportions. This is an $80 billion a year industry, placing it among the largest enterprises in this Nation. The domestic consumption of heroin is 4 metric tons per year and cocaine consumption is estimated to be 40 to 48 metric tons.

DRUGS ENTERING THROUGH PORT OF NEW YORK

As much as half of this heroin entering the United States comes in through New York City. This means that at least 2 metric tons or 6 billion dollars' worth of heroin enters the United States through the Port of New York City.

In New York City alone, there were 393 drug-related homicides last year. Fifty-seven percent of New York State prisoners have prior drug arrests in their files. That tells us something about the crime epidemic.

However, we are losing the war against drugs. Make no mistake about it.

A coordination of our efforts is just beginning.

Despite recordbreaking confiscation of illegal drugs, law enforcement agencies still estimate that they are only stopping 5 to 15 percent. That is not a record that we can be proud of. That is not the proper allocation of resource, as far as I am concerned, to deal with this problem.

That is why, Mr. Chairman, it is so very important and so very encouraging that you are the chairman of the subcommittee that can assign the dollars to interdiction, drug enforcement agents, Customs, and the Coast Guard. Hopefully we can see to it that their activities are funded and coordinated.

One question is, Mr. Chairman, what must we do to see to it that that record of 5 to 15 percent interdiction is improved dramatically.

The other question is, Mr. Chairman, what must we do to complement interdiction. We know we will never be able to stop all the drugs. That is why I think it is so important that we hear from the local officials who are on the firing line day after day, who deal with the inadequacies of the laws, inadequacies of resources, inadequacies of the judicial system that puts back out on the streets reg-

ularly the heroin dealers, their runners, people who work with them.

I saw an inspector last week who was doing an incredible job. He arrested 4,000 people in this precinct for drug traffic. He said they are back out on the streets and he said the one or two they take off the streets are replaced quickly by someone else.

So, it is going to take concerted effort, Mr. Chairman, and I hope that these hearings will continue to focus the kind of attention that will bring the public and those in public office together in a concerted effort to deal with this problem. I don't think that there is a more pressing problem that we face in this Nation.

Mr. Chairman, I thank you.

Senator ABDNOR. Thank you, Senator D'Amato.

I again want to thank you for the effort and time you are putting into this, and it is very apparent that you are very knowledgeable concerning this problem.

At this time, we are going to start out with two witnesses that I know are very knowledgeable: John Keenan, who is coordinator for criminal justice, New York City, and nominee to be district court judge for the Southern District of New York; also Sterling Johnson, who is the New York State Special Narcotics Prosecutor for New York City.

Mr. KEENAN. I don't see Mr. Johnson, sir.

Senator ABDNOR. Judge Keenan, we are very happy you are here.

Mr. KEENAN. Not yet, sir.

Senator ABDNOR. Anyway, we welcome you. We know you are a man of experience in this field, and we are very interested in what you have to say.

DAYTOP VILLAGE

STATEMENT OF JOHN KEENAN, COORDINATOR FOR CRIMINAL JUSTICE, NEW YORK CITY, AND CHAIRMAN OF THE BOARD, DAYTOP VILLAGE

NARCOTICS REHABILITATION

Mr. KEENAN. Thank you very much, Senator.

Senator Abdnor, Senator D'Amato, first may I compliment you on taking the time and the effort during the period of senatorial recess to focus your attention to a problem that is such a serious problem, as Senator D'Amato and you have just indicated. But I think you are both to be genuinely complimented by the citizenry for focusing on this issue.

On behalf of Mayor Koch, I want to take the opportunity to thank you for giving me the chance to appear before you.

Now, as you both know, I am criminal justice coordinator for the city of New York, and, as such, am principal adviser to Mayor Koch on criminal justice matters.

But I approach you really this morning wearing another hat. Not only has my career been law enforcement, my public career, but also over the last 10 years, I have been active as a private citizen with a private narcotics rehabilitation institution known as Daytop Village.

As a private citizen, at the present time, I am chairman of the board of Daytop Village, which is a drug-free therapeutic community which seeks to reclaim the lives of these people who tragically become drug addicts.

I can tell you from firsthand knowledge and witnessing these people in the throes of efforts to withdraw from addiction what a horror drug addiction is to people as humans.

Now, addressing myself briefly, and I have submitted prepared remarks to each of you, I would rather deviate from the prepared remarks in appearing before you this morning and hit certain of the highlights that are in the prepared statement.

FEDERAL EFFORT IN DRUG INTERDICTION

As you know, Federal resources devoted to drug interdiction have tripled over the last 5 years. They have gone up from $38 million, as I understand it, to $278 million. But more than 90 percent of heroin, cocaine and other dangerous drugs which are destined for the United States manage to slip through our borders.

About 95 percent of the individuals who are arrested in Federal interdiction cases are low-level traffickers. When they are convicted, they usually spend no more than 1 year in jail. Tragically, the State's results are about the same.

DRUG ARREST STATISTICS IN NEW YORK

In August 1982, the New York City Police Department made 594 arrests on the Lower East Side in narcotic-related cases. Eighty-five percent of those who were convicted out of that 594 were sentenced to imprisonment terms of 1 year or less. In other words, only 15 percent got more than 1 year.

Of the 594 arrests on the Lower East Side, 132 cases went to the supreme court. In New York State, Senator Abdnor, the supreme court is the court of original trial jurisdiction, it is not the highest court in the State.

One hundred thiry-two cases from the Lower East Side went to the supreme court, court of trial jurisdiction, for prosecution. Most of the defendants in those cases were released either on bail or parole prior to trial, they were not held for trial.

This is to me most startling, and I could give you statistic after statistic, but to me this is one of the most startling statistics that I have come across in preparing to come here this morning.

Of the 132 who got out, 83 of them were rearrested before their case was disposed of. Sixty-three percent, in other words, were rearrested before their first case was ever disposed of.

That's not only bad enough, but of the 83, 27 of them were arrested three times or more. Two of them were arrested two times or more.

So, I mean no wonder the police get a little cynical. Because the poor cop—my former deputy, who is now Commissioner of Criminal Justice Services for the State of New York, Senator D'Amato knows who Richard Condon is. Dick Condon's son is a young officer there in the ninth precinct and young Condon has told me of many an occasion where he has arrested a fellow one day and then the next week he has his partner lock the same guy up again. And it is

just a revolving door, which is senseless, something Senator D'Amato touched on. There were 20 murders last year, 20 homicides just in one of these three precincts.

POLICE PRECINCTS ON LOWER EAST SIDE

When I talk about the Lower East Side, I am talking about three police precincts.

In one of these police precincts, perhaps the more important of the three, the drug area at least, the 9th precinct, and that covers from Houston Street from the south to 14th Street on the north. There were 20 homicides in that precinct in the year, 18 of them, 90 percent of the homicides were drug-related homicides, arose just out of narcotics.

It is estimated that there were half a million people in the United States who are addicts. About 90 percent of the addicts in the New York City area live in New York City. Half of the addicts in the country live in the New York area and 90 percent of them were roughly 190,000 addicts in New York City; 190,000 addicts in the city of New York, an incredible number.

In 1982, the New York City Police Department made over two-thirds of all the drug arrests in New York City personally. New York City arrests amounted to 80 percent of the State total for cocaine and heroin arrests.

New York doesn't, frankly, focus on marihuana, the city doesn't, to the degree that it focuses on heroin and cocaine because of the more serious nature of the heroin and cocaine.

Eighty-nine percent of arrests in the State of New York for the sale now, not possession, but for the sale of these controlled substances took place in the city.

So, again, I urge that the city police are doing their job pretty well. This is not something that the police are ignoring. Bob McGuire and his forces have done about all they can.

But the drugs are not grown in Central Park, they come from out of the country and there has to be greater water enforcement and I think there has to be greater diplomatic initiative taken.

ILLEGAL DRUGS FROM BAHAMAS

Just last night on television, if either of you Senators saw the local NBC station in New York, channel 4, there was a special news report last night about Federal efforts to do something about the drugs that are coming in from the Bahamas and for reasons that I don't understand, apparently the State Department felt that it was impossible for the Federal Bureau of Investigation to proceed with their investigation. And our Ambassador to the Bahamas appeared on the television last night.

The point is this is not something that the locals can stop. We can arrest people occasionally, the court seems to put them in jail but not sufficiently.

Recognizing the problem on the Lower East Side, the man created a task force last summer, the summer of 1982, in an effort to try and do something about this horrible situation that Senator D'Amato referred to in his opening remarks. I mean this horrible situation on the Lower East Side.

In one year, from August 1982 to July 1983, in one precinct alone on the Lower East Side, this ninth precinct, I want to just give you gentlemen some statistics about this one precinct; $204,559 in cash was seized in connection with narcotics arrests; 16,730 glassine envelopes of heroin were seized; 13,916 tins of cocaine were seized; 1,995 bags of marihuana were seized; 34 pistols were seized.

In an effort to use all existing city agencies, not just the police, to work on the narcotics problem, what we did was we got Transportation, Housing Preservation Development all involved in an effort to seal up those buildings where the drug sellers were operating out of.

In the case where the buildings were unsafe, physically unsound, structurally so damaged that they did not reseal it, we demolished buildings. Seventy-one buildings were demolished on the Lower East Side in the course of the year, from August 1982 to July 1983, and 132 buildings were sealed.

I can say that all that we have accomplished is that we have moved the traffic from Third Street to Second Street because in the summer of 1982, Third Street between A and B was the street, the capital of trafficking. It isn't any more, we have closed down Third Street, but a lot of them moved over to Second Street.

As I said, these officers come back and back and make arrest after arrest, and what we have found now is that these dealers and sellers, they are relatively sophisticated, they are carrying less drugs so that when we make an arrest, the charge is not as serious as it would be.

Also, they are bringing, in sellers from other counties. They are bringing in sellers who don't have records, so that the courts do not enforce the law as strictly.

The Narcotics Division's information on the street, the undercover officers', is that the sellers are getting paid as much as $200 a day to ply their wares. So, no wonder it is easy to recruit at $200 a day.

You know and I know—and you wouldn't be having the hearings if you were not clearly cognizant of the fact that clearly there has to be more Federal money spewed into the effort to interdict.

But it seems to me that the Florida experience, with which you gentleman are quite familiar, illustrates that what you need is one person with authority and with, if I may say, clout or muscle who can direct all the various Federal agencies as to what to do.

TURF PROBLEMS AMONG LAW ENFORCEMENT AGENCIES

DEA does a good job. Customs does a good job. The FBI does a good job. The Coast Guard does a good job. There has not been one person who is essentially calling the shots because there is no communication, but bickering among law enforcement itself.

I would like to tell you all law enforcement agencies work in wonderful harmony and cooperation with one another, but while I am not sworn, I would never make a misstatement to the U.S. Senators and I can tell you that the fact of the matter is that law enforcement agencies have a lot of turf problems. And in order to override the turf problems, what you need is a boss, you need some-

body who calls the shots and somebody who has clout. Down in Florida, like Vice President Bush, who has clout.

Vice President Bush has a lot of other things to do, and he is not going to be able to man and supervise each of the 12 different task forces in the country, but there has got to be one person calling the shots.

Another thing that we applaud there in the city, and Mayor Koch particularly wanted me, Senator D'Amato, to express his appreciation to you for your vocal efforts to have the number of DEA agents in the city increased and, in fact, as I understand, you have asked that they be doubled. That is something that we wholeheartedly endorse. Something has to be done.

We feel it would be extremely helpful, and I am sure if Mr. Johnson arrives, he can address himself to this. It would be extremely helpful if the U.S. attorney's office could take over the prosecution of certain of the local cases because you have jurisdiction over those cases, the U.S. attorney does.

More Federal funds are needed to provide police to the street-level operation. At present, we run into terrible overtime problems on the weekends and if we could just fund the police for overtime, we would be able to crack down during the peak sales periods, as it were.

OVERCROWDED JAILS

Another area which is of great concern, there must be a way, even though there is no more LEAA, there must be a way for the Federal Government to help localities with the jail problems, with the prison problems.

Our prison population in the State of New York is 112 percent of capacity.

I received communication from my counterpart in the State this morning, Sterling, and they are at 112 percent capacity. The city is operating on a Federal court order, the city has to go back in court tomorrow afternoon before Judge Morris Lasker at 2 o'clock tomorrow afternoon. We may have to release people from the local city jails because of this tremendous space problem.

This is not something that we have not addressed. Since Mayor Koch has been mayor, prison space has been increased in the city by over 31 percent. We have doubled the budget, the correction department.

There has to be some Federal help because, again, Senator D'Amato gave me some figures, put those figures in the record this morning. Fifty-seven percent of the State's prisoners have prior drug arrests. Fifty-seven percent of 31,000 are former drug users, drug sellers.

So, drugs, narcotics are right at the root core of the crime problem. On the Lower East Side, what we would like to attempt to do and this is also an area where the Federal Government could help us tremendously and that would be in the systematic renovation of properties down there, rehabilitating, renovating, redeveloping the areas, housing stock, particularly on the Lower East Side.

Another area where the Federal Government could be of tremendous help, and I approach this now based on my experience in the

Daytop Village, not so much from law enforcement, one of the clear reasons the drug traffic flourishes to the degree that it does is that there is a huge market. There is a great demand, customers, consumers. Everywhere when a great demand exists, a supply inevitably grows.

FEDERALLY FUNDED EDUCATIONAL PROGRAMS

The beginning, the solution to that part of the problem would be a federally funded educational program to demonstrate graphically to the youth of the country, which is the market of tomorrow, the horrors of drug abuse. Realistic documentary training films should be produced, which would be required to be shown in the schools, to point out the tragedy of addiction.

The armed services have used such effective training films for years on other subjects. Surely the creative genius which exists in this great country could produce a series of movies which would be startling, warn of drugs and their dangers, portray the ravages of addiction.

This would be mandatorily shown and required that the youth see what happens, not just talking heads like I am to you, but showing graphically to these kids what addiction could do.

As I say, I have seen it first hand at Daytop.

Everything that we have done in the city, and I have talked about the Lower East Side because, as I say, I chair that task force, we have done and attempted to do without any additional funding. We have done it with a very tight budget, reviewed the police's budget, existing housing preservation and developments, existing building's budget, and existing transportation budget.

Honestly, frankly, truthfully, we are not going to be able to do it alone. We will move them this year from Second Street to First Street. But what has to be done is we desperately need help fom the Federal Government.

And I am not suggesting that there is a panacea for the problem. There is no magic wand that anybody has that they can wave which is going to chase drugs away. But the point is that we have definitely and are crying out for Federal assistance.

Thank you very much.

Senator ABDNOR. Thank you, Mr. Keenan, for those very shocking and startling figures and statistics.

We appreciate your testimony. Certainly it is better to have it as part of the record because I know there are other committees working on it that need to have it brought to the attention of some of our friends.

I know we are going to have questions here, but since you commenced, Mr. Johnson has come into the room.

And, Mr. Johnson, I certainly want to welcome you to this committee. We are anxious to hear your testimony.

We may have crossed you over by moving the panel up a few notches because we wanted to get the whole input in at the outset.

We do welcome you here, and we hope we are not inconveniencing you.

STATE SPECIAL NARCOTICS PROSECUTOR FOR NEW YORK CITY

STATEMENT OF STERLING JOHNSON, NEW YORK STATE SPECIAL NARCOTICS PROSECUTOR FOR NEW YORK CITY

APPREHENSION OF DRUG VIOLATORS

Mr. JOHNSON. I am at your disposal for the rest of the morning.

I would like to thank you for inviting me and I would like to apologize for being late.

I have been very, very busy and it is always nice to see Congressman Gilman, who is an old friend—who has been in this fight for many, many years—and Senator D'Amato, who has been very, very helpful in the fight for many, many years.

John Keenan has said and continues to say everything that I could say on this particular problem, for the fight on this particular problem.

My particular expertise or area of expertise is in the prosecution of those who have been apprehended. Very few are apprehended.

I think the Federal authorities estimate 5 percent, 5 to 10 percent, of all the drugs that are aimed for our shores, the people are apprehended. So, therefore, you are talking about better than 90 percent of all the drugs aimed for the United States get through.

It's always been estimated by the Federal authorities that 40 to 50 percent of those who traffic in narcotics, or at least the heroin aspect of it, are right here in New York.

Former HEW Secretary Califano issued a report and stated that of the almost 500,000 drug addicts, heroin addicts in this country, almost 240,000 are right here in New York.

As John Keenan has said, we need help desperately and we need help like yesterday.

The city, under Mayor Koch, has been doing an outstanding job.

When there was no money available and people had to be cut, the mayor did not touch the prosecution. We had to do more with less, but we were not touched.

And the reason is, even though there is not any money, the mayor has made what was available to institute programs like the Lower East Side project. We have made our presence felt.

We are not going to solve the problem, but we have made our presence felt. As John said, they will move from First Street to Second Street and from Second Street to First Street.

I have with me Mr. Ronald Garnett, the direct supervisor of the Lower East Side project. I would like to introduce him.

Mr. Garnett can give you some specific details and specific figures of the number of arrests, indictments, dismissals, seizures, and the nuts and bolts, day-to-day operations of the Lower East Side project. It has been termed a success by many and many people throughout the city are asking for another task force like this.

It is my understanding that in the near future we might try something in Harlem; is that correct?

Mr. KEENAN. We will try it.

Of course, there is the question of money.

Mr. JOHNSON. The question is money. Where can we get the funds to finance a project like this?

COST OF LOWER EAST SIDE PROJECT

Senator D'AMATO. How much, Mr. Johnson, would a project like this entail, the kind of project you now have working in the Lower East Side?

Mr. JOHNSON. The Lower East Side, I think we have a little over $250,000, $260,000.

Mr. KEENAN. The only additional funds for the Lower East Side for Mr. Johnson's office for prosecution, we did out of existing police and other agency budgets. That's the point. We could do it in another place, we just don't have the budget to do it.

If we could add 50 police to a precinct, that would cost $2 million because the average cost, with fringe, for New York City police officers is $40,000.

So, if we could get 50 more cops, it would cost $2 million. Fifty more isn't really enough, but it is a beginning.

Senator D'AMATO. They would be assigned specifically to drugs?

Mr. KEENAN. We make a commitment to the Senator if we could get money.

ARREST STATISTICS

Senator D'AMATO. I think it might be interesting to hear some of the statistics in terms of arrest because we have to put a stop to the revolving door system of criminal justice.

It is absolutely, totally frustrating to the precincts, the prosecutors, to have a situation where the justice system is not operating as it should.

And there is no excuse; 132 cases in the Supreme Court went on bail, 83 were rearrested, 27 arrested three times. What an incredibly monstrous thing we are doing to the community. This is just a sham. I am concerned because that is only in one precinct.

But I suggest John, if you were to examine whether these statistics be true for Queens or Brooklyn or Staten Island or Nassau County, you would probably find the same type of thing taking place.

Mr. KEENAN. It wouldn't surprise me at all.

Mr. JOHNSON. I would say that for a prosecutor to be effective, his caseload should be no more than 30, 40 cases, where he can do justice to the particular cases.

The average caseload for the assistants handling this Lower East Side project is 600 cases per man.

I would like to touch upon two other subjects that I would hope that the Federal Government would help us with.

We had been talking about a program in which those who have been arrested, as a condition of bail, would have their urine screened. And if they are drug free, we could have a situation where this would be an ingredient in the bail situation.

I think they have a program like this in Washington, D.C. We would like to set up a pilot program like this in New York because many of those people who have been arrested, who are using drugs, are back out on the streets, are committing crimes again, and add a tremendous burden to the taxpayer.

The other thing that I would like to see, and I think that Congressman Gilman has a bill in, a meaningful forfeiture bill. We do not have a forfeiture bill in New York State.

A good example is we arrested two ladies, two old ladies, retirees, who are living in Harlem and they had assets. Members of the organizations—and real property outside Harlem. What we had wanted to do was to seize these assets, maybe sell them off, and use the assets from the seizure to finance the investigation.

Since we had no forfeiture statute in the State of New York, I have to go to my colleagues in the southern district.

They seized approximately $700,000 from the members of this organization, including real estate, fur coats, antiques, and things of that nature.

And if we could have a forfeiture statute, if not a State law, then a Federal law where the proceeds of the forfeiture would go back to the law enforcement authorities, including the local authorities, then I think that we could really hit these people in the pocketbook.

SMOKE SHOPS

We have a lot of problems with smoke shops throughout the city. What really happens with smoke shops, you arrest some kid who is working there who has never been in trouble before, he gets a slap on the wrist, don't do it again. Mr. Big is never touched.

It is very, very profitable to make $3,000 and $4,000 a day selling smoke near a school, no risk to the onwer of the school, no risk to the owner of the store.

But if we could have a forfeiture bill where we could seize that store and the contents of that store, then I think that we would at least have impact upon the smoke shops and the overall illegal drug trafficking in New York City.

Senator ABDNOR. Thank you, Mr. Johnson.

While you are on the subject, I want to introduce the third member up front here, my good friend, Congressman Gilman, right here in New York.

I guess everybody knows him for the great work he does.

Ben and I started out together back in the House and it has been a real pleasure working with him. More than that, I understand it is an outstanding job.

If we can, I just open this up for a few brief questions.

First, Mr. Garnett, you had some statistics. It sounds like they would be very impressive for the record. Maybe you can quickly give them to us. We are falling behind.

State your name so the reporter can have it for the record.

I would appreciate it if you can summarize your material.

Any other material, all three of you gentlemen, put it on the record, as well as anything else that you care to have; we have a few days to submit.

LOWER EAST SIDE PROJECT

STATEMENT OF RONALD GARNETT, SUPERVISOR, LOWER EAST SIDE PROJECT

DRUG FELONY ARRESTS

Mr. GARNETT. My name is Ronald Garnett, and I appreciate the opportunity to appear before you to give my assessment of the Lower East Side, along with my statistics.

I supervise a group of four attorneys who are charged with the responsibility of prosecuting all of the narcotics felony arrests within a very distinct geographical area in lower Manhattan. It is bound on the north by East 14th Street, on the south by Delancey Street, on the east by the river and west by Avenue A.

Within that area, from August 1, 1982, through July 1, 1983, there were approximately 3,000 felony arrests which were prosecuted by our office.

Of those arrests, approximately 800 cases were indicted. These are indictments for felonies and before Mr. Johnson referred to the prosecutors having an average caseload of approximately 600 cases. That includes indicted cases, as well as unindicted cases proceeding through the court system. But each of the four assistants has approximately 200 indictments he is prosecuting.

We have had over 3,000 cases, 600 cases of indictments by guilty pleas by defendants. Approximately 300 of these cases have been reduced to misdemeanors and prosecuted exclusively within the criminal court system.

SERIOUSNESS OF DRUG CHARGES

Senator ABDNOR. Were most of those pretty serious charges?

Mr. GARNETT. Primarily the 3,000 cases fit into what we call the buy-bust-type cases where an undercover police officer will buy a small quantity of cocaine, heroin, or other controlled substance off the street.

Those cases are felony cases because it involves a sale of some controlled substances.

There are cases where merely through police observation of defendants conducting transactions with nonpolice officers, they, too, are arrested and they would be a very small percentage of the total 3,000 cases.

About 370 of those 3,000 cases have been dismissed because the substances actually purchased were generally not controlled, where the street sold something that was basically milk sugar.

Also, there have been some problems with prosecutorial merit of the case and they, too, would be dismissed.

As of July 1, we had approximately 600 of those 3,000 cases that were still pending with prosecutorial efforts to follow.

In toto, I guess what I am suggesting is that in such a very small geographical area of Manhattan, we have had maybe 25 percent of the cases at large for Manhattan, narcotics cases, yet we only have four prosecutors handling those cases that are being funded primarily from the project grant which we received as of July 1, 1982.

It is my understanding that the grant has been renewed but, again, basically at the same level of financing as of last year.

So, we don't have the necessary funds to expand our prosecutorial effort. Thank you.

Senator ABDNOR. Thank you, Mr. Garnett.

I am sure Senator D'Amato has some questions.

PRIORITIES OF DRUG NEED REQUESTS

Senator D'AMATO. If I were to ask you to prioritize, give my your No. 1 wishes, what would you ask for first? What do you think is the most pressing need to address the problem of drugs? Because we know they are going to hit the street. What would you concentrate on first?

Mr. KEENAN. Two things. The first thing I would want is somebody to run the Federal task force, somebody, as I said, with clout and muscle so that the various Federal agencies would work together and you wouldn't have turf problems.

That is No. 1.

Senator D'AMATO. You still see that as a problem?

Mr. KEENAN. Yes.

Again, I am trying to be as frank as possible.

Senator D'AMATO. That is exactly why we are having these hearings.

Mr. KEENAN. Second is prison space. We need jail space desperately for both State and city.

RELEASE OF DRUG DEFENDANTS DUE TO LACK OF JAIL SPACE

Senator D'AMATO. Do you believe that there are those defendants who are being released or paroled earlier, they are not receiving the kind of terms that they should because there is the knowledge of the problem with respect to the jail space?

Mr. KEENAN. The judges deny it, but they are human. They know they are operating under a Federal court order in the city and they know that the State is 112 percent capacity.

Mr. Johnson made an excellent suggestion here. But without Federal jail space, Mr. Johnson's suggestion, and I am not being critical of the suggestion, about the urinalysis to find out whether someone is an addict or not, but where are we going to put them?

If the urinalysis comes back positive, we don't have the funding, it comes back positive, where are we going to put them? We don't have any room. We need jail space.

I say two things. From the Federal point of view, a task force with somebody to run it, and from our point of view, more jail space.

Senator D'AMATO. Mr. Johnson.

Mr. JOHNSON. I agree with Mr. Kennan with respect to a coordinator. Some people refer to it as a drug czar. I don't like that term, czar, but you do need someone who is going to be responsible to the President with respect to drug trafficking, drug enforcement, drug treatment, drug rehabilitation. You need someone to coordinate the effort.

I don't think that that person should, and I don't know if he is responsible or knowledgeable enough to get into the day-to-day op-

erations, but you do need a coordinator in the Federal Government to coordinate the activity of the various agencies involved in drug enforcement, drug treatment, et cetera.

The other thing that I think, and I think that is No. 1, I like the drug trade to someone turning a faucet on in a sink, water being filled up into a sink, its spilling over and coming out onto the floor. And what is happening is that the various people start mopping the floor, the water is still running.

We who have been doing this for many, many years, we are those people who are mopping up the floors. I think you have to turn the faucet off.

RELEASE-ON-BAIL PRACTICES

I think you have to make drug trafficking, drug abuse, a No. 1 priority. You must turn that faucet off. You must continue to mop, but you have to turn that faucet off.

Senator D'AMATO. To that extent, how do you countenance the release on bail, the way we see it taking place, of those who are brought in for drug trafficking? Do you think the court system has a realization of what is taking place?

Mr. JOHNSON. I think some do and some don't.

I think you don't countenance this situation. I think, as John said, the courts deny it, but they are human. Why should I send this person to jail because it is just a minor drug offense and the jails are filled.

That should not be taken into consideration. And if there are jails that should be needed, then I say let's get the jails.

PRISON CONSTRUCTION

Senator D'AMATO. I agree with you to the extent that I can, and I have sponsored a bill which would permit $3 billion a year to be spent on prison construction, the Federal Government putting up $1 and the local States putting up $2 so that we could put in some $3 billion a year for 3 years.

That could build about 180,000 cells. It is one of the best investments we can make.

I hear the critics say, oh, you are wasting money. I don't think we are wasting money.

You have an addict out on the street who is literally a walking crime machine. How does someone support a $200 a day habit who is unemployable, does not have the funds?

Mr. JOHNSON. He must steal or commit crimes at least five or six times his habit.

As we all know, this study, Temple University study, where I think it is 242——

Mr. KEENAN. 237 addicts were responsible in 11 years for more than half a million crimes. That is a federally financed study.

Senator ABDNOR. Give me that again.

Mr. KEENAN. That study was done in 1980.

Senator D'AMATO. Give him the statistics slowly.

Mr. KEENAN. I knew this.

In an 11-year period, 237 heroin addicts were responsible for more than 500,000 crimes.

Senator D'AMATO. Half a million crimes.

Mr. KEENAN. Half a million crimes.

Senator D'AMATO. They are literally walking crime machines.

How do you support a $200 a day habit? If you rob a piece of jewelry worth maybe $1,000, he is only going to get $50 or $100 for it.

Mr. JOHNSON. There was another statistic that the New York State Department of Corrections issued. I think it was last year and I think they reviewed something like 10,000 inmates at the State prison. Almost 60 percent there for drugs or drug-related crimes.

So, if you let these people out on the street and they have these habits, they are going to commit crimes to sustain their particular habit.

REHABILITATION PROGRAMS

Senator ABDNOR. What kind of rehabilitation is there? When we put these people in prison, do they have a program for them to rehabilitate these drug addicts?

Mr. JOHNSON. I don't think so. I really don't think so.

Senator ABDNOR. Although they don't have access to it, when they get out, they go back to using it, will they?

Mr. JOHNSON. There are two types of addicts, Senator. There is a physical dependence and then there is a psychological dependence.

Once you take a person off the street, incarcerate him and assume he cannot get drugs in jail, although some have gotten drugs in jail, this person physically is not dependent. Once he is released from jail, he goes back to that same environment, the same friends, the same temptation, then this psychological dependence takes over and he is doing the same thing again. And he is committing crimes to sustain the psychological dependence.

As far as I know, when they start cutting funds, the area that they cut back into was the drug program, enforcement, treatment, education. rehabilitation, and I think that it is penny wise and dollar foolish.

CONCENTRATION ON STREET DRUG TRAFFIC

Senator D'AMATO. Can I ask just one more question.

I know DEA is going after the big rings, et cetera. Should there be more effort concentrated at this time on the streets to assist the additional personnel at those levels which may not be as high, but who are connected to the street sale, et cetera, or should they continue their present function?

Mr. KEENAN. I think, Senator, as I said, and as is in my prepared remarks, one of the things the city urges is that Federal prosecutors take over the prosecution of some of the lower level cases. They have jurisdiction, there is no reason that they shouldn't indict.

Sterling, as he told me, he has plenty to do. He is not going to get mad if they take some cases. It would just mean that additional prosecutions will take place on top of one that he is conducting already.

NEED FOR ADDITIONAL U.S. ATTORNEYS

Senator D'AMATO. So that if we could get some additional U.S. attorneys assigned specifically for handling those drug cases, you think this would be valuable?

Mr. KEENAN. Something the mayor called for 3 years ago.

Mr. JOHNSON. Senator, you hit the nail right on the head.

It is my understanding that the southern district is doing something like that. I think it was at your suggestion or request, and the task force, the enforcement people comprising local police, State police and Federal police, are actively involved enforcementwise, bringing a lot of these small cases to the Federal courts with the U.S. attorneys and they will be prosecuted.

As Mr. Garnett testified, in a small area, one or two precincts, in 1 year you have 3,000 cases.

Traditionally, when we spoke of enforcement on a Federal level, it had always been, we will get more DEA agents, we will get more agents.

They see as their mission, we are going to get after Mr. Big. Yes, we do need Mr. Big, but as you recognize, Senator, we are losing the war on the lower level. You have got to go to the Lower East Side and you see that for years what we have been doing is digging a hole in the ocean.

I have been getting telephone calls about the Lower East Side and the calls are we are endorsing everything that is being done down there, but what about us, what about my neighborhood, can we get a task force there?

If I explain to them that there are no funds available, people who have the same problem through the city, they don't want to hear it.

Senator ABDNOR. Congressman Gilman.

Congressman GILMAN. Thank you, Senator.

Again, I want to commend both of you for continuing the series of hearings in the metropolitan area and areas that need a great deal of attention.

I want to commend both Mr. Keenan and Sterling Johnson for the kind of work they are doing, particularly Sterling Johnson, who has been out on that battlefield so long and been back and forth to Washington on a number of occasions to pinpoint some of the needs and some of the reforms that are so necessary in this area.

BAHAMIAN PROBLEM

I was very much distressed to hear today's news about the Bahamian problem and how some of our own diplomats are closing their eyes to the critical nature of narcotics coming into our region and not doing the kind of things that they should be doing to prosecute leading drug traffickers in this area.

I have just returned from the select committee of mine to New York and was trying to convince those areas to cooperate with us in the eradication of a problem that is particularly distressing.

So, I am very pleased to hear some of the comments made today in pinpointing some of the needs.

I would like to ask, Mr. Keenan, you mentioned the need for a drug czar and we do have, and Sterling Johnson supported that suggestion, a measure before the Congress again this year to create just such a position.

We had one before the Congress the last session. Unfortunately, while it was passed, we have revised the measure. They have asked support of the chairman of the crime committee, Mr. Hughes, Subcommittee on Crime, and many of the select committee on narcotics are supporting it. A forfeiture measure, too, is incorporated into that bill, and we hope we can get it through with a great deal of support.

Let me ask a question.

COORDINATION PROGRAM ON DRUG EFFORT

You talk about the need for coordination. It was my understanding that there is a coordinator in this area. As a matter of fact, I think Dennis Snyder, who is supposed to be testifying today, is supposed to be doing that kind of coordinating.

Where is there a failure in that type of coordination?

Mr. KEENAN. I am not being in any manner, shape, or form here implicitly, directly critical of Mr. Snyder. That is not the thrust of what I am saying.

What I am saying is there has to be somebody that can really call the shots and not just coordinate.

I am a criminal justice coordinator, I can't tell the district attorney what to do.

There has got to be somebody who is director who can tell them what to do, who can do more than haggle, can do more than persuade, somebody who says this case goes here, that case goes there.

The legislation that you speak about, I think, addresses that issue. That is the only thing that I am talking about

Congressman GILMAN. As a criminal justice coordinator, you can.

Mr. KEENAN. I can call the shots with city agencies, but I spend half my time arguing with the State justices. Sometimes I am successful, sometimes I am not.

Congressman GILMAN. You have no enforcement or prosecution of any kind?

Mr. KEENAN. Not directly; no.

We work closely together. I work well with most of the district attorneys, but the mayor continually makes requests of the courts directly, they are not responded to.

SUFFICIENT JUDGES AND COURT TERMS

Congressman GILMAN. Are there sufficient judges and court terms available for narcotics prosecutions? Is that part of the problem?

Mr. KEENAN. That is part of the problem; yes.

We have called for additional criminal court judges and supreme court judges.

Congressman GILMAN. That is a local and State problem, it has nothing to do with the Federal.

Mr. KEENAN. Correct.

Congressman GILMAN. How many additional terms of narcotics judges will be needed to meet the backlog?

Mr. KEENAN. Well, in Manhattan you would certainly need about 15 alone.

Congressman GILMAN. Fifteen more special session judges?

Mr. KEENAN. Just for Manhattan.

Congressman GILMAN. Have you made a request and recommendation of the city council and State legislature?

Mr. KEENAN. The State legislature is the appropriate body and we have made requests for additional.

There has to be a change in the statute in order to get additional judges.

What is happening, if I may, Congressman, they create acting supreme court judges in the city court of New York, make acting supreme court judges. We don't have enough judges in the lower court. The lower court is 40 judges short, although there are no vacancies because those 40 have been put upstairs.

And we need 40 additional criminal court judges.

Congressman GILMAN. I would hope that we could help you underscore the need for those additional judges.

Sterling Johnson, in your prior testimony, you indicated a backlog and because of the backlog a lot of the naroctics traffickers are going back out on the street and committing additional crimes.

How is your backlog? How do you compare it the way it is today with 2 years ago?

Mr. JOHNSON. Increasing steadily.

Just take this Lower East Side project where you have four attorneys to a 600-case backlog.

If every person that was indicted said I will not plea bargain, I want to go to trial, physically it would be an impossibility.

NARCOTICS CASES BACKLOG

Congressman GILMAN. To what extent is your total backlog today in the city of New York on narcotics cases?

Mr. JOHNSON. I would have to say well over 3,000 cases.

Congressman GILMAN. What is the average length of delay in those cases?

Mr. JOHNSON. It take us about 1 year to try a case.

A good example is that we started at this Lower East Side project in July of last year and I think it was either July of this year or August of this year we had our first trial for a person arrested and indicted in the Lower East Side project.

Congressman GILMAN. The average time from indictment to actual trial is about 1 year?

Mr. JOHNSON. At least 1 year.

Congressman GILMAN. How many prosecutors do you have working on these 3,000 cases?

Mr. JOHNSON. It varies. At different times, about 50 attorneys for the whole city of New York.

Congressman GILMAN. Just on narcotics?

Mr. JOHNSON. Just on narcotics. Narcotics and then sometimes we have to deal with other narcotic-related crimes.

If there is a kidnapping in narcotics, we will take it. If there is a murder in narcotics, we will take it.

We have a team of police officers in our office that will just concentrate on murders involving narcotics.

In some communities in New York City where you have a homicide that is not a crime of passion where a man has an argument with a seller, he stabs him or where there is an argument with someone and he shoots him, I am not talking about those, but the other type homicides, noncrimes of passion, as much as 80 to 90 percent are drug-related.

Congressman GILMAN. How is your backlog today as compared with what it was 1 year ago?

Mr. JOHNSON. I don't have those figures. I know that it is going steadily, steadily, steadily up.

Congressman GILMAN. Your assistant attorneys can't keep them current?

Mr. JOHNSON. Can't keep them current.

As I said before, if everybody who was under indictment demanded a trial, we couldn't give it to them.

Congressman GILMAN. If they all demanded a trial, you can't give it to them, they go out on the street?

Mr. JOHNSON. Yes.

We have situations where we have had appeals where one assistant would be actually out on the trial, then there is another case pending before another judge. And this defendant says I want a trial, but Mr. Smith, who has his case, is on trial with another defendent.

The judge will say you get somebody else to try that case or I am going to dismiss it.

We say, Your Honor, this is unfair, we have always been ready and we are not delaying.

It is not a dilatory tactic, but we are acting on trial with other people.

There are times that cases will be dismissed that we don't have the resources to appeal this or there are times that——

Congressman GILMAN. And these could involve substantial traffickers?

Mr. JOHNSON. Substantial traffickers.

COORDINATION WITH U.S. ATTORNEY'S OFFICE

Congressman GILMAN. Tell us about your coordination with the U.S. attorney's office.

Mr. JOHNSON. We are working well with the U.S. attorney's office the past few years.

As you might know, and for those who don't I used to be an Assistant U.S. attorney myself.

They see their role, as I said, prior to Senator D'Amato's efforts, as going after the Mr. Big. But there are many instances where Mr. Little that we have will lead to Mr. Big that they have.

If there is something that I have and if they need it, they have it. If there is something that I want, whether it is a protection program or a witness coming in from another part of the country, I have it.

LIMITED RESOURCES PROBLEMS

Congressman GILMAN. So the cooperation is good, it is a matter of limited resources?

Mr. JOHNSON. It is good right now. They have limited resources; we have limited resources.

Congressman GILMAN. I don't want to take up too much time.

Thank you gentleman.

Thank you, Mr. Chairman.

Senator ABDNOR. Thank you, Congressman, for your question.

I think, gentleman, we could ask a lot more questions but we are going to have to keep moving.

So, if the committee should decide to submit questions in writing to you, we will do that.

Mr. KEENAN. Thank you.

Senator ABDNOR. Thank you both.

Mr. JOHNSON. Thank you.

Senator ABDNOR. You have been a great help to us. We appreciate it.

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DEPARTMENT OF THE TREASURY

OFFICE OF THE ASSISTANT SECRETARY

STATEMENT OF JOHN WALKER, ASSISTANT SECRETARY OF THE TREASURY

ACCOMPANIED BY:

DENNIS SNYDER, REGIONAL COMMISSIONER, U.S. CUSTOMS SERVICE, REGIONAL COORDINATOR OF THE NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM [NNBIS]

DEPARTMENT'S ROLE IN REDUCING ILLEGAL DRUGS

Senator ABDNOR. Next we are going to hear from Hon. John Walker, Assistant Secretary, Enforcement and Operations, Department of the Treasury and also Mr. Dennis Snyder, Regional Commissioner of the U.S. Customs Service, New York region.

Mr. Snyder is also the Regional Coordinator of the National Narcotics Border Interdiction System. He will testify in that capacity.

I worked with Secretary Walker for several years in law enforcement. He did a fine job. He came up from Washington for this hearing. This is a very important one.

Please be seated.

Mr. WALKER. Thank you very much, Mr. Chairman and Senator D'Amato. I very much appreciate the opportunity to appear before this panel to discuss the role of the Department of the Treasury in reducing the flow of narcotics into this country and fighting drug-related crimes.

First, I would like to express my appreciation to each of you for your tireless efforts to promote drug enforcement.

On the national level, Senator D'Amato, you have long supported this administration during the war on drug abuse and have spearheaded efforts in the Senate to strengthen the laws.

All of us in law enforcement are very fortunate to have such allies.

Senator Abdnor, I would also like to take this opportunity to recognize the outstanding commitment that you have demonstrated to Treasury's law enforcement programs as chairman of Treasury's Appropriations Subcommittee.

Each of your contributions is an excellent example of cooperation between the legislative and executive branches to address this pressing problem.

As Assistant Secretary of the Treasury for Enforcement and Operations, my responsibilities include the direction and management of Treasury Law Enforcement Bureaus involved in the national effort to reduce narcotics crime and to prevent the violence and destruction created by drug trafficking.

As you know, our Government is waging an all-out concerted attack on drug trafficking and the criminal organizations that conduct and support it.

Within the Treasury Department, the U.S. Customs Service, the Internal Revenue Service, and the Bureau of Alcohol, Tobacco and Firearms all play critical roles in the President's overall drug enforcement strategy.

TREASURY INVOLVEMENT ON THREE FRONTS

The Treasury is engaged with the enemy on three fronts. First, the U.S Customs Service interdicts at the border drugs entering the country by air, land, and sea. Second, Customs, in joint cooperation with the Internal Revenue Service, conducts complex financial investigations into money laundering and other financial activities of drug-related organizations. Third, the Bureau of Alcohol, Tobacco and Firearms investigates the firearms traffickers who supply the drug trade with the deadly weapons it needs to operate, including machineguns.

All three of these efforts came together in the South Florida Task Force under the overall direction of Vice President George Bush. The Treasury has been a full partner in the task force from its start in March 1982. The President, in the past year, has announced two further initiatives that together have enhanced the Federal drug enforcement program and extended it nationwide.

First, in October of last year, he announced the Organized Crime and Drug Enforcement Task Forces, staffed by 1,400 additional Justice and Treasury personnel. The task forces are now fully in place and are investigating and prosecuting drug-related criminal organizations across the country. As you know, New York is one of the core cities of the task forces.

Second, in January of this year the President announced the National Narcotics Border Interdiction System, or NNBIS, the most recent of the President's initiatives. Under the overall leadership of the Vice President, Customs and the Coast Guard, supported by Defense, Justice, and the Intelligence Committee, jointly conduct NNBIS enforcement operations at our borders to interdict drugs.

As you can see from the map of the NNBIS regions, which is over here on the right, New York is the NNBIS headquarters for the entire northeast section of the United States. The New York Regional Headquarters is under the coordination of Dennis Snyder, Regional Commissioner of Customs here in New York.

Commissioner Snyder, who will testify later in the proceedings, will describe our NNBIS operations in further detail.

RESULTS OF NNBIS OPERATION

Let me just say that NNBIS is already beginning to show results. However, I want to stress that NNBIS is a long-term effort and that many of the military resources that we are counting on to be used in this fight are still in the pipeline. When these resources are in place, we will have a fully effective national interdiction network that will be unprecedented in the history of drug enforcement.

Drug abuse is the No. 1 law enforcement problem in the United States, without any question. Current estimates are that 5 million people use cocaine, 25 million use marihuana, and 500,000 use heroin.

Drugs have invaded our socioeconomics. They can be found in schools and in the workplace. Drug trafficking is the common thread that runs through violent street crimes, gangland slayings, widespread corruption and lives ruined by drug use and drug addiction. It has been estimated that 50 percent of the violent crimes in this country are directly related to drugs. I know that this does not come as news to the citizens of New York. The citizens of this great city have too long had to endure the consequences of drug trafficking on their streets. Here in New York, more than anywhere else in the country, the greatest drug problem in heroin.

SEVERITY OF HEROIN ADDICTION

Historically, the overwhelmingly prevalence of heroin and the crime it spawns have victimized all elements of the city's population. Persons in lower income neighborhoods are particularly susceptible, as are the elderly, and as long as it continues, the threat looms large over the city's young people.

Of all the drugs that victimize America, heroin is perhaps the most insidious. It reaps enormous profits for organized crime as it cripples—physically, psychologically, and emotionally—all those ensnared in its net. Addicts become predators, shedding all moral pretensions as they are driven to rob, steal, and murder to pay for their drug habits.

New York's addict population, which today numbers more than 200,000, has doubled since 1975, and these individuals are responsible for countless crimes, as has been pointed out already in these hearings. But there is no more venal crime than the heroin distributor, who makes obscene profits out of misery and human destruction. Ignoring the consequences of the poison he spreads, he reaps huge rewards as he siphons untaxed profits from our economy. He is enmeshed in a network that includes smuggling and trafficking in other drugs as well, peopled by the most dangerous criminals in this Nation's history.

Mr. Chairman, for our primary defense, we rely on the traditional domestic drug investigations to ferret out, prosecute, and jail drug traffickers.

These investigations are conducted at the Federal, State, and local levels. The Treasury depends upon these investigations for valuable intelligence that will enable U.S. Customs to intercept drugs at the borders.

Here in New York, where 95 percent of the sea cargo is containerized, detection of concealed heroin is a tremendously difficult problem, and without a free flow of intelligence, it is practically impossible. Furthermore, heroin is a high-value, low-volume commodity and even small, easily concealed amounts can yield enormous profits.

A pound of heroin at the border of 70- to 90-percent purity is currently valued at $100,000. That same pound of heroin cut and distributed for street use at the end of the distribution chain is worth

about $800,000. So, the ratio is approximately 8 to 1 from importation to street level in terms of value.

On a national basis, Customs seized 70 percent more heroin last year than it did in 1981. So far this year, the heroin seized is up by another 92 percent. Here in New York, in 1982, Customs discovered the largest cargo shipment of heroin in recent memory: 115 pounds, shipped from Naples, Italy and concealed in expresso coffee machines.

Still, we are not seizing enough. We have made good progress, but we are not yet winning the war, as has been pointed out.

Now, the chart on my right indicates Customs national drug seizures over the last 3 years. As you can see, cocaine seizures are also up dramatically, but marihuana seizures are down. And we believe this is due to a number of factors.

We are beginning to see a decrease in the demand for marihuana. We also feel that there is a great deterrent by our drug enforcement efforts which is causing the shift to smaller craft that are more difficult to operate but also more difficult to detect. And we also believe that marihuana is being stockpiled in Colombia. Finally, I think that we are seeing in this country an increase in domestic marihuana production, as efforts at the border become more extensive.

In Federal drug enforcement, we are today relying more and more on financial investigations. Treasury's Financial Law Enforcement Center announced last year that it is making use of the latest in computer technology to support this effort.

These investigations trace the flow of narcotic dollars to uncover huge narcotics rings and identify ringleaders who often are too clever to handle the drugs themselves.

Here in New York, the prosecution of a money-laundering organization run by Eduardo Orozco-Prada, investigated jointly by the U.S Customs Service and DEA, resulted recently in the conviction of nine individuals charged with laundering over $100 million in narcotics proceeds over a 17-month period. In battling narcotics traffickers, Treasury exercises its authorities under the Bank Secrecy Act and the Internal Revenue Code.

This chart that we are looking at now shows Customs' seizures of currency under the Bank Secrecy Act, for the past 3 years.

We can see, first of all, by looking at this first chart that our seizures are showing a substantial increase in the current year. Through July 1983 we had seized $41 million as opposed to $39 million in 1981 for the entire fiscal year and $32 million in fiscal year 1982.

MONEY SEIZURES BY TREASURY

Senator D'AMATO. If I might, Mr. Chairman, those seizures of the $41 million currency, does that money go back into the Treasury for your efforts at drug enforcement?

Mr. WALKER. No; it does not, Senator. It currently goes into the general account.

Senator D'AMATO. Have you taken a position with respect to legislation which, would have those assets which are seized in drug-related cases go back to drug law enforcement?

Mr. WALKER. Yes; indeed, we have and we would clearly favor the provisions in the bills which are currently before Congress which would permit these funds to be used in the drug war. We would like to see these funds made available for additional resources.

So, if we could now turn to the second chart, the second chart is a cumulative account of the achievements of the special financial task forces that IRS and Customs have established in over 30 U.S. cities, built on Operation Greenback, which was set up in Florida in 1980.

These statistics here, which show currency seizures of $38 million, property seizures of $3.1 million, bond forfeitures of $1.6 million, and IRS jeopardy assessment of $122 million, only tell part of the story.

The investigations from which these seizures flow resulted in the wiping out of money laundering operations which were responsible for laundering in excess of $1 billion in drug proceeds on an annual basis.

BATF INVOLVEMENT

Treasury's Bureau of Alcohol, Tobacco and Firearms, also a key agency in the fight against drug trafficking, by concentrating on the urban traffic in deadly firearms and machineguns used in the drug trade, is attacking the drug cartels in another way.

This is highly dangerous work, in which undercover agents must investigate the most violent element in America, and it has its price. Unfortunately, I have to report that in the past year, two ATF undercover agents, Ariel Rios and Eddie Benitez, lost their lives and a third agent, Alex D'Atri, a New York agent, was critically wounded, but courageously is now back on the street conducting his very important work.

EFFORTS OF OFFICE OF DRUG ABUSE POLICY

Other elements of the Federal strategy are critical to the struggle against drug abuse. The Office of Drug Abuse Policy in the White House, headed by Dr. Carlton Turner, is working to reduce the tremendous demand for drugs in our society by reaching out to groups with the potential to educate great numbers of people on the dangers of drug abuse. This is getting at the demand side as opposed to the supply side, which we in law enforcement are working on.

It is my judgment, Mr. Chairman, that until we reduce the tremendous demand in this country, hand in hand with the tremendous supply, you cannot have the kind of impact on this problem that the public demands.

The groups that are being contacted by the White House, Office of Drug Abuse Policy include pharmacists, physicians, insurance companies and religious organizations. As these individuals and organizations are thought to be in existence in virtually every community in this country, they can spread the word about the dangers of drug abuse and thereby reduce demand.

PRIVATE INDUSTRY EFFORTS

The White House has also encouraged private industry to adopt programs to assist employees who have drug-related problems. And, as we know, the First Lady, Nancy Reagan, is personally leading the White House's efforts to communicate to the American people the dangers of drug abuse.

Mr. Chairman, we are also engaged internationally in the arduous process of attempting to get the drug-producing and transit countries to halt production of drugs and to increase their enforcement efforts. This effort is spearheaded by Assistant Secretary of State Dominick DiCarlo, who heads the Bureau for International Narcotic Matters. Our work at the Federal level also depends heavily on the cooperation we receive from State and local law enforcement agencies.

Here in New York, Robert McGuire, the Commissioner of Police, has been a great resource to us. I would also like to commend the dedication and contributions of Robert Morganthau, district attorney for New York County, and Special Narcotics Prosecutor Sterling Johnson.

In short, Mr. Chairman, I am honored to be testifying here today. I am tremendously encouraged by the support which each of you has demonstrated. Congressman Gilman, you were out of the room before when I started my testimony; I would also like to single out and commend your long-term fight against drug abuse.

We deeply appreciate the help we are getting in Congress in every effort against the war on drug abuse. Each of you is playing a key role in this effort.

Treasury is fully supporting those measures in the bill that you are also supporting, which seeks legislative changes that will tip the balance in favor of innocent citizens who are often victims of crime and against the violent lawbreakers who make up the drug-trafficking cartel.

In conclusion, Mr. Chairman, Treasury law enforcement has made considerable progress in the past 2 years. We are seizing more drugs at the border than ever before and our financial investigations have yielded impressive results.

ATF has made a solid contribution in its enforcement against weapons violations. I do not wish to imply, however, that we have reached the turning point against the drug trafficker. We still have a long way to go in this regard. We will need to concentrate even harder on the initiatives we have begun.

Thank you for the opportunity to present these views for your consideration, and I would be pleased to respond to any questions.

Senator ABDNOR. Thank you, Secretary Walker.

We will wait until we hear from Mr. Snyder and we will ask you both some questions.

So, Mr. Snyder.

Mr. SNYDER. Thank you, Senator Abdnor, Senator D'Amato, and Congressman Gilman.

STATEMENT OF DENNIS T. SNYDER

I am Dennis T. Snyder, Regional Commissioner of the U.S. Customs Services for the New York region.

I appear before you today as the coordinator for the Vice President's Northeast Regional Center of the National Narcotics Border Interdiction System [NNBIS].

I have with me on my left Capt. Paul Welling, U.S. Coast Guard, who served as Deputy Coordinator for the NNBIS Task Force.

Captain Welling and I assumed our duties with NNBIS June 17, 1983.

[The statement follows:]

PREPARED STATEMENT OF DENNIS T. SNYDER

REGIONAL COMMISSIONER, U.S. CUSTOMS SERVICE, NEW YORK REGION

Mr. Chairman and members of the Committee, I am Dennis T. Snyder. I am the Regional Commissioner of the United States Customs Service for the New York Region. I appear before you today as the Coordinator for the Vice President's Northeast Regional Center of the National Narcotics Border Interdiction System (NNBIS). I assumed my duties as NNBIS Coordinator, on June 17, 1983.

NNBIS was created as a direct result of the South Florida Task Force, which was established by the President on January 28, 1982. By designating Vice President Bush to serve as the head of that effort the President demonstrated that he is serious in his efforts (1) to stem the flow of illicit narcotics into the United States, and (2) to disrupt the organizations and criminal empires that have reaped enormous profits through the sale of narcotics to United States citizens.

The South Florida Task Force has been successful in disrupting the normal patterns of many of the narcotic trafficking organizations. Bringing to bear a wide range of federal government resources has created an impact on marijuana and cocaine smuggling activities in the Southeast. As an example, recent seizures indicate that fishing vessels have been extensively modified to create secret compartments to conceal marijuana and cocaine.

Debriefing of pilots arrested for narcotic trafficking indicates a trend to move further north into the Mid-Atlantic states to avoid the sophisticated tracking systems and concentration of Law Enforcement personnel in the Southeast.

By making the smuggler sail or fly longer distances, the government is forcing him to use larger ships and larger and longer ranged planes which require better and more costly navigational devices and expertise. Those smugglers willing to assume the venture must pay more and while transiting over these longer routes, allow us greater time to find, track and apprehend them. The changes also force them out of an environment of their choosing and into new terrain, thus causing mistakes like the approximately 500 pounds of cocaine dropped into the wrong field in Georgia. It also disrupts their distribution systems, thereby providing us with the opportunities to develop information regarding the smuggling operation and network.

The displacement/disruption in smuggling activity, and the lessons through the South Florida Task Force experience gave rise to the National Narcotics Border Interdictions System (NNBIS).

The NNBIS, Northeast Region extends from the Maryland/Delaware border up the coast to Canada and across the norther border to Erie, Pennsylvania. The extensive coast line and land border over which illicit drugs can cross, gives NNBIS NE Region a vast land and sea interdiction responsibility.

We are coordinating the work of those federal agencies with existing responsibilities and capabilities for interdiction of sea-borne, air-borne and cross border importation of narcotics. This includes the use of Department of Defense assets to detect suspicious activity, primarily at sea for this region. We intend to make extensive use of DOD capabilities, consistent with current law, but with the assurance that we will not adversely impact on national defense readiness.

To neutralize the smuggling threat aggressive investigations and an effective intelligence network are essential. The Drug Enforcement Task Forces operated by the Department of Justice has as its primary goal the disruption of organizations involved in narcotics distribution. NNBIS with its interdictory responsibility will complement but not replicate the duties of the Justice Department Task Force. NNBIS will coordinate interdictions and the flow of intelligence and ensure that follow-up investigations are conducted on interdiction actions, either by the responsibility agency or through a coordinated effort among federal, state and local law enforcement agencies.

As mentioned, the primary threat to the northeast is the introduction of hard narcotics through ports of entry such as Dulles, JFK and Logan International Airports, and the various seaports located throughout the northeast coast and on the Great Lakes.

The port of New York is by all effective measures the major entry point in the United States for smuggled heroin. For example, the 238 pounds of heroin seized here last year was 82 percent of the total amount seized by U.S. Customs nationwide. Although it is difficult to calculate, we believe that the value of illicit drugs being smuggled through the port of New York each year succeeds 10 billion dollars.

The Customs Service utilizes selective examination methods based upon in-depth analysis of documents on incoming shipments. This method, though a successful one, is only capable of identifying a small portion of the shipments containing narcotics. Intelligence from overseas offices, local informants, investigators from federal, state and local law enforcement agencies and analysis of case reports and documentary evidence is the key to success. NNBIS is taking an aggressive approach in pursuing this information. Our intelligence gathering unit is comprised of DEA, U.S. Customs, FBI, INS and Coast Guard personnel. Having personnel from each of these agencies provides access to all existing data banks and thereby affords us the opportunity to collate information, develop it and disseminate it to the appropriate agency for interdiction.

With regard to smuggling between ports of entry there is a great deal that can be done with the help of local law enforcement authorities. Various profiles have been developed to assist in identifying traffickers that utilize private aircraft and pleasure vessels. The method of payment for sophisticated radio and navigational equipment, the utilization of vessels and aircraft during unusual hours, and the purchase of a residence on a waterway for cash are just a few. We will provide these profiles to local Police Departments and encourage them to be our eyes and ears to identify the traffickers so that we may utilize the resources of the federal government to track and apprehend them.

In summary, we believe that a serious narcotics smuggling threat exists in the northeast and that it takes various forms. We also believe that to be effective in our mission we must encourage, coordinate and centralize all intelligence among federal, state and local agencies and ensure that follow-up investigations are conducted on all significant narcotics seizures. We intend to develop a comprehensive, long-range intelligence data base which will support our operations.

We are encouraged by this committee's interest in our interdictory efforts and I thank you for the opportunity to appear before you today. I stand ready, at this time, to answer any questions and concerns you might have with regard to our mission and activities.

MANPOWER SHORTAGES

Senator ABDNOR. Thank you, Mr. Snyder.

Captain Welling, do you want to make a statement?

Captain WELLING. No, sir.

Senator ABDNOR. Let me ask something.

A few moments ago, the gentlemen from New York came in and indicted the shortages of manpower they have in fighting drugs.

What does the task force coming into New York, what will it mean to New York, the manpower with the extra help?

Mr. WALKER. Mr. Chairman, there will be 173 additional personnel coming into the New York region as a result of the Presidential task force. These will include 16 assistant U.S. attorneys, 1 deputy U.S. marshall, 121 special agents, in total. There will be 37 FBI, 32 DEA, 14 IRS, 16 Customs, 5 ATF, and 35 support personnel, broken down roughly along those lines for a total of 173 personnel.

Senator ABDNOR. How soon would that be in place?

Mr. WALKER. They are in place. They are functioning now.

What we did initially was to move experienced agents and experienced personnel into these new slots and then backfilled behind them.

Senator ABDNOR. Have you been able to see results already?

Mr. WALKER. Yes. We are starting to see results at the present time.

Cases have been indicted and are going to trial.

Right now, the figures I have are, I am afraid, national, but I think New York is getting its share.

As of August 10, 1983, there were approximately 310 active cases, multiple indictments had been returned in 24 cases and all of these had narcotics violations as the charge. Many of these are continued criminal enterprise charges as well.

Of these cases nationwide, 95 percent of them involved more than one Federal agency, thereby establishing that there is very good coordination so far with the Presidential Drug Task Force.

On the average, three counts are involved in each case. We don't have any convictions to report yet. We expect some guilty pleas in the near future, but it is still very early in the program.

We think that there is a very high level of coordination, agency cooperation being demonstrated.

We would expect to see substantial results in terms of convictions, forfeitures and related enforcement actions coming up over the next year.

Senator ABDNOR. Thank you.

STRONGER PENALTIES FOR DRUG VIOLATORS

You mentioned the word "convictions." It just went through my mind from testimony earlier today, some of our friends made a case that some of them have been let off rather lightly.

Do you feel that that is another area we need to impose stronger penalties in the form of laws?

Mr. WALKER. Believe me, Mr. Chairman, I think that the heaviest possible penalty should be imposed on people who profit from the misery of others by drug trafficking.

We should be constantly examining criminal statutes to see whether or not we can tighten the penalties.

Senator ABDNOR. Has there been much of a problem there?

Mr. WALKER. Yes.

We do have penalty problems, not so much in the potential terms we have available to the judges. It is whether the judges are willing to impose those terms.

But the other major problem which was addressed, I believe, by earlier witnesses, is that where you have an overcrowded judicial system, cases are dismissed because of the inability of the prosecutors to process the cases. There simply aren't enough prosecutors to handle the huge backlog of cases, and judges will dismiss cases for, in effect, want of prosecution, whether it is for insufficient resources to prosecute or not.

Senator ABDNOR. Senator D'Amato.

INCREASE IN INTERDICTION RATE

Senator D'AMATO. Mr. Secretary, I am wondering what you feel we should do in order to get the interdiction rate up from where it presently is.

Mr. WALKER. Well, I agree with you that the interdiction rate is too low, as you point out, 5 to 15 percent drug interdiction, depend-

ing on the figures that we look at year in and year out. It is an inappropriate range.

We would like the indicia of at least in the area of 20 percent, but even that is not sufficient.

The first thing we need is we need a smooth flow of intelligence to people who are conducting interdiction operations. We certainly cannot expect to be able to effectuate a good interdiction program just on random hits by sending patrol boats out there and hoping to find a boat that is loaded with drugs.

We have, as you know, a tremendously large legitimate boating community in this country and we cannot count, obviously on random enforcement efforts. We need intelligence.

Intelligence can come from different sources. Intelligence can come from building upon those interdictions that we have made from domestic investigations, and from foreign sources which can be developed by the intelligence community and from the State Department and DEA operations abroad.

FOREIGN INTELLIGENCE NETWORK

Senator D'AMATO. What answer do we have in terms of the foreign intelligence network? Wasn't that just about killed 3 years ago? Didn't we have a dismantling of DEA's efforts abroad?

Mr. WALKER. DEA is currently—I am sure there will be DEA witnesses here who will testify a little more clearly, but DEA still has a substantial foreign presence, interdiction operations in all of the drug-producing countries and transit countries that we can conduct operations in.

Obviously, in Iran and Afghanistan, we can't do it. And we are making greater efforts, which I would go into in closed session if the committee wanted to pursue it, through the use of an intelligence community in this area.

But we think there is still more to be done.

As you know, the wheels of the Federal Government don't grind too fast, and you start a program and sometimes it takes months before everybody is aware of it down at the bottom levels. We think we are starting to see progress in this area, but we think more has to be done to get intelligence.

Second is the question of resources. We currently have requested of the Defense Department some military equipment worth some $400 million. We have requested helicopters. We have requested radar platforms, chase planes and the like. A tremendous amount of military hardware has been requested.

We have had the unstinting support of Congress in this, yourself, and some others and the chairman.

Senator D'AMATO. Where does that leave the question down the line?

What is the status of it?

Mr. WALKER. Currently we have received a positive response from Defense in terms of a major portion of that request, and we expect a positive response for the balance.

The problem is delivery time, when we will actually be receiving this stuff. The Defense Department's concern is whether they will be able to backfill other equipment through their own appropri-

ations process. Obviously, we have drug enforcement and national readiness. We think the equipment we requested can be supplied promptly without injuring readiness.

Senator D'AMATO. We understand our Nation's priorities, and I have voted for every strong military defense system, but our priority is out of whack. We are losing the battle. It is our people that are suffering. We had better wake up, come out of our ivory tower.

Mr. WALKER. I couldn't agree with you more. The situation we have today, with great numbers of people abusing drugs and the high volume of drugs we have in this country is an $80 billion a year industry.

With a problem of that magnitude, we have a threat to our national security right in the drug problem itself that is every bit as great as an international threat.

Senator D'AMATO. Thank you, Mr. Secretary, thank you for your strong support in this area.

ACTIVITIES OF COORDINATOR OF NNBIS

Commissioner Snyder, what do you do as a coordinator?

Mr. SNYDER. A very good question, Senator.

Senator D'AMATO. You'd better believe it. I want to know what you do.

Mr. SNYDER. It is a new assignment. It is an interesting assignment. It has tremendous possibilities, in my opinion.

I have been involved in the Federal law enforcement area some 30 years, starting with the FBI, a long time in the military police and even my military services in Korea.

So, I would like to pride myself on having a little background on what the job is all about. In addition, I have spent a lot of time, 15 years, in fact, in south Florida, in Miami in the Customs Service, the free flow of narcotics developed in Colombia, both cocaine and marihuana, and was directly involved in some of our earlier efforts, earlier to inundate the motor ships. I would like to think I have a little experience.

The northeast problem is a very unique one in the sense that the marihuana and cocaine does not flow here in the same way it does to south Florida.

Cocaine comes in private aircraft, almost invariably that has landed somewhere else before it gets here.

Marihuana, we are getting the ships coming up the back side of Bermuda.

The job of coordinator from the narcotics interdiction standpoint in the Northeast does coordinate interdiction efforts carefully. This is where the major threat arrives, in my opinion, and it is a very difficult task. It requires things that Mr. Walker has mentioned, information, intelligence. It requires the motivation of the interdiction task forces, things that we are trying to, again as coordinator of NNBIS in the Northeast.

INTERDICTION OF HEROIN

Senator D'AMATO. How do you interdict heroin? What are you doing? I want to know.

Mr. SNYDER. You approach the interdiction of heroin problem entirely differently from marihuana or cocaine.

Generally, heroin moves into the United States, what we call in the Customs Service, right at us as opposed to landing at a clandestine strip.

Senator D'AMATO. It comes right off the boat in New York, right, people ship it? Is that a fair statement?

Mr. SNYDER. That's right. And it comes right at the Customs inspector. It comes in concealed in commercial cargo, concealed in the passenger's bags. That is where the effort has to lie. That is why the inspector needs the information that gives him some indication of where to look.

We are fairly pleased with our efforts to interdict in passengers' bags and so forth.

I personnally am not satisfied with our efforts to interdict commercial or cargo ships.

When you look at it from the standpoint of a given day we will have 10,000 containers, these are boxes the size of the back of a tractor-trailer truck here at this port waiting to be released by Customs. In one or two of those containers you have a small box, perhaps 3 or 4 cubic feet. It contains enough heroin to supply the market in New York for several days or several weeks. This is a job of finding that item within the major volume of traffic that is coming through this port. This is where the interdiction problem arises.

Senator ABDNOR. I am just curious. Do dogs sniff out heroin?

Mr. SNYDER. Our dogs in New York, most of them are trained on all three major narcotic drugs, marihuana, cocaine and heroin. Dogs are very effective on marihuana. Dogs are to a lesser extent effective on heroin and cocaine. The dog will alert us to the owner of heroin, but the dog used in the area where we know heroin smuggling is going on is not that effective in identifying the shipment.

It is easy to conceal it, it is easy to comingle it with a lot of other odors that distract the animals.

MECHANICAL MEANS OF DETECTING HEROIN

Senator D'AMATO. How about the robot? Do you have a robot?

Mr. SNYDER. We have no mechanical efforts in the Port of New York at the present time other than X-ray devices.

Senator D'AMATO. Are we working on one?

Mr. WALKER. I might be able to shed some light on that.

We have in a couple of other ports at the present time where we think we have a better—where there seems to be a lot of cocaine coming in carried by passenagers, used a mechnical device that has shown some results, but it it still in the testing phase.

We are not in a position now where we could really justify a substantial expenditure without better results in this area.

I will say though that it does have a deterrent effect sometimes.

We had one situation in Houston where a smuggler came walking toward it, he took one look at the machine, he didn't have to step in it, he started running the other way. We managed to chase him down. Just the appearance sometimes has its effect.

This is obviously worth study, worth effecting if possible.

Senator D'AMATO. Let me ask you one other question, Mr. Snyder.

HIGH RISK CARRIERS

We keep hearing about certain high risk carriers, the Gran Colombiana Line, certain airlines.

In that case, what do you do? Don't we know where most of the heroin that comes into this country comes from certain transit areas, the southeast, then you have that that comes through and moves from Sicily and Mexico into this country?

Don't we have a pretty good idea it is going to come from those areas, which carriers, which methods are going to be used?

Mr. SNYDER. I prefer to use the term high-risk flights rather then high risk carriers because I think the term high risk carrier has a connotation that somehow the airline may be, or its management may be involved.

Senator D'AMATO. Sometimes or in some cases personnel has been involved.

Mr. SNYDER. But not the management of the company, as such.

Senator D'AMATO. Mr. Snyder, now I am not implying that. I said high risk carrier, I prefer to use high risk carrier because some of the personnel has been involved.

Let's cut the niceties. Aren't there certain areas, routes, that are high risk?

Mr. SNYDER. Certainly my intention was not to suggest that you make a distinction. My intention was to make a distinction between traffic in New York and traffic in south Florida, which takes a different approach.

There are a number of smaller airlines that operate into south Florida, where suspicion could be well founded. The nature of the airline business in New York is entirely different and here at J. F. Kennedy Airport we are dealing with established, reputable airline carriers and that was the point I was trying to make.

But on those carriers we do have high-risk slots.

Senator D'AMATO. You are very good on those collateral issues. You are very good at those points with me and you will find that I could be argumentative, also.

Are there high-risk areas where they come in?

Mr. SNYDER. Yes.

Senator D'AMATO. What do we do about that?

You tell me about 10,000 cargoes that come in, you know that there are 5,000 or 6,000 or 7,000 areas that you don't even have to look at.

I don't buy this business that there are 10,000. That has been going on for a long time, long time, and I want to tell you something. You tell me I am coordinating, it is wonderful, it is exciting.

I want to know what you do to see—don't you zero in on certain areas where you think the risk level is a heck of a lot higher than other areas?

Mr. SNYDER. By all means.

MEANS OF INCREASING INTERDICTION SUCCESSES IN HEROIN

Senator D'AMATO. Suggest to us, tell us what you do, how can you improve that, how can we get the 5- to 15-percent ratio up in terms of heroin?

Mr. SNYDER. For example, we analyze airline flights. We analyze airline flights that fly into New York from the southeast, analyze airline flights from countries with which connecting flights feed into those flights. Those particular flights which are high-risk flights are given an extra effort by the U.S. Customs Service. We take a harder look. We make more detailed examination.

We will do something we call LQV, landing quantity verifications, from which we will put a large number of Customs officers present when the flight arrives and actually examine in detail each shipment of cargo that comes with the shipment.

We will use this technique in connection with the assignment of plainclothes Customs officers to observe the flight.

The Senator is correct. There are what we call internal conspirators. This is a venacular that we use in the Customs Service, which we are satisfied that narcotics move through the efforts of employees of the airline.

These are some of the things that we do with high-risk flights. High-risk vessel trips are harder to identify because many of the vessels that arrive in the Port of New York visit many different countries and they carry general cargo.

We do have some vessels, some lines that fly almost exclusively between the United States and Colombia and the United States and those areas of Colombia which we know are great sources for cocaine. *Grand Colombiana* is one. We have directed our efforts to *Grand Colombiana* over a period of years in a number of different ways.

As the press reported a couple of years ago, bodies, scuba diving bodies, were found in close proximity to the piers in Brooklyn where *Grand Colombiana* regularly ties up.

There are vesseis that carry cocaine attached to the outside of the hull of the vessel. Smugglers had a scuba diver involved as part of the system, who would then dive into the East River, take the heroin off of the side of the vessel, either that or where it had been stopped. That was the smuggling technique. We mounted an extensive effort against that type of smuggling.

In addition, with *Grand Colombiana,* we made a fair number of seizures over the years that affected those vessels when they come into the United States, we applied the full brunt of the Customs interdictory efforts. That is just one example.

Senator D'AMATO. I have no further questions.

Senator ABDNOR. Congressman Gilman.

NEED FOR ADDITIONAL PERSONNEL

Congressman GILMAN. Secretary Walker, you talked about the additional personnel. I think you mentioned that there were some 173.

Were any of those personnel drawn out of the existing people who are here on site doing the work or are those new people being brought in?

Mr. WALKER. These were people who were operating in the existing operations.

Congressman GILMAN. Here in the northeast?

Mr. WALKER. Yes.

Congressman GILMAN. So, they are not really official personnel, but you are shifting people around?

Mr. WALKER. We are adding people.

Congressman GILMAN. How many did you really add?

Mr. WALKER. 173, but they didn't want to hire new people, brand new greenhorns right off the street.

Congressman GILMAN. You are taking some of these people off the job right here in the northeast, that is what you are doing?

Mr. WALKER. No.

What we are doing is, in order to find other personnel, we did not create new task forces with people who were inexperienced. We felt that it would be unproductive.

Congressman GILMAN. I recognize that you are taking experienced people. What I am asking, Mr. Secretary, are you taking people out of existing jobs in the northeast and putting them into a task force and just playing musical chairs or are these band new slots in addition to existing slots?

Mr. WALKER. They are brand new slots in addition to existing slots.

Congressman GILMAN. You have not siphoned off any DEA, FBI in the northeast?

Mr. WALKER. Absolutely not.

There are 14 new slots nationwide.

Congressman GILMAN. Is there a great deal of criticism about the length of time it took to hire the people to get these task forces underway?

You may recall all the critical press concerned.

When did the northeast task force in the New York region get underway, fully complemented? How long has it been in business?

Mr. WALKER. It has been underway since March this year.

NUMBER OF INDICTMENTS IN NEW YORK AREA

Congressman GILMAN. How many indictments in the New York area?

Mr. WALKER. I am afraid I do not have that figure. I will supply it for the record.

Congressman GILMAN. Are there any? You mentioned there were 24 nationwide. Have there been any indictments in the New York area?

Mr. WALKER. I believe so. I believe that is proportionate across the country. I have no reason to believe that New York is different.

Congressman GILMAN. You don't know, Mr. Synder, as coordinator, how many indictments in the New York area?

I assume as coordiantor you keep track of that.

Mr. SNYDER. Let me make sure that I understand the question.

How many indictments out of——

Congressman GILMAN. You started the task force work in March of this year, this additional personnel.

How many indictments have been filed?

I understood your coordination also includes prosecution and the whole gamut, as well as interdiction; is that correct?

Mr. SNYDER. No, sir.

Congressman GILMAN. You don't get into any prosecution or follow-up on that?

Mr. SNYDER. No, sir.

The distinction has to be made between, on the one hand, the drug investigation task force, of which the coordinator is the U.S. attorneys in the eastern district and southern district on the one hand and the NNBIS narcotic interdictory efforts on the other.

LACK OF COORDINATION IN DRUG EFFORTS

Congressman GILMAN. I understand you get into investigation but then do you end it once you have turned it over for prosecution?

Mr. SNYDER. Once the interdiction is made, then the case is turned over to the established investigating law enforcement authorities, which is the DEA in the case of narcotics.

Congressman GILMAN. You heard our earlier witnesses say that there is a lack of coordination in the justice end of it, in the prosecution end of it.

How do you understand that lead? You are not a part of that coordination effort, as Secretary Walker?

What happens? We just hang them out on a limb and there is no coordination after we get the interdiction?

Mr. WALKER. This is the issue, of course, that was addressed by the crime bill that last year was vetoed by the President.

Congressman GILMAN. The drug czar.

Mr. WALKER. On the czar.

Congressman GILMAN. You didn't recommend a veto?

Mr. WALKER. Our Department supported that issue.

Congressman GILMAN. To veto. Who does coordinate?

Mr. WALKER. On the interdiction effort, the Vice President is in overall charge of the NNBIS.

Congressman GILMAN. Who coordinates at the judicial end of it? That is what I am asking you, Mr. Assistant Secretary.

Mr. WALKER. If I can just, first of all, take the interdiction——

Congressman GILMAN. I now who does the interdiction, but who coordinates the judicial end? Where is that coordination?

Mr. WALKER. That coordination rests with the U.S. attorney for each district. Each U.S. attorney has a law enforcement coordinating committee. He runs it. It was established by the Attorney General in this administration. It consists of Federal, State, and local officers.

Congressman GILMAN. Essentially, then there is no additional coordination in the judicial end, of the prosecutorial end of the enforcement? You have left that as it is, is that correct, before you came into operation with the National Narcotics Interdiction?

Mr. WALKER. The problem had been addressed by the Attorney General in the first few months of this administration. He set up law enforcement coordinating committees.

Congressman GILMAN. There are law enforcement committees. There is a separate organization from what you folks are doing.

Mr. WALKER. It is designed to coordinate enforcement efforts and prosecutorial efforts in each judicial area.

COORDINATOR OF COORDINATING COMMITTEES

Congressman GILMAN. Who coordinates the coordinating committees?

Mr. WALKER. They are coordinated by the Attorney General.

Congressman GILMAN. The Attorney General brings you folks together in a group and the assistant U.S. attorneys together?

Mr. WALKER. He controls the U.S. attorneys.

Congressman GILMAN. Into coordination and interdiction efforts on the prosecutorial level?

Mr. WALKER. That is, I think, a different question, and that question is coordination in the cities, and that is an existing mechanism.

Congressman GILMAN. I don't understand your response, Mr. Assistant Secretary.

Mr. WALKER. NNBIS has a liaison with the Presidential Drug Task Force and with the U.S. Attorney's Office, wherever it is located.

The U.S. attorneys coordinate with the Presidential Drug Task Force and through the law enforcement coordinating committees. That is the relationship.

In other words, where you get into longterm investigations, prosecutions, look to the U.S. attorneys as coordinators.

Congressman GILMAN. Let's stop there. Would you stop just a moment?

In trying to develop a national strategy and trying to get effective coordination of all of the agencies, it would seem to me that it would be imperative to have some person or some group of persons trying to bring the entire effort together.

Are you telling us now that they are working independently of each other, justice is moving in one direction, interdiction is on its own, there really isn't an overall coordinated effort?

Mr. WALKER. No. I am not saying that.

There is an overall coordinating effort. There is no single overall coordinating effort except for the obvious appeal that one has to the President himself. Right now we have coordinating going on.

Congressman GILMAN. That is what I would like to hear. Would you tell us what that coordination is?

Mr. WALKER. Every day I pick up a phone and I talk to Lowell Jenson of the Justice Department, who is roughly at my level over there. At the local level, law enforcement coordinating committees operate with various agencies involved.

NNBIS relates to the Presidential Drug Task Force, U.S. attorney——

Congressman GILMAN. All of that is done in an informal manner then?

Mr. WALKER. It is done in a regular manner, it is done in an official manner. I don't think it is necessarily done in an informal manner. It is essential, obviously to be able to conduct a war on drugs, to be able to have good coordination.

There are mechanisms currently in place which are effectively doing this.

RESPONSIBILITY FOR JUDICIAL ROLE

Congressman GILMAN. Who should we turn to now to address the problem raised here by Mr. Keenan and by Sterling Johnson that there is a lack of coordination with regard to the judicial role to the prosecutorial role? Whose responsibility would that be to straighten that problem out?

Mr. WALKER. I think that, first of all, they were not addressing the drug czar, I don't think, on a national level.

Congressman GILMAN. They both recommended a drug czar. They said there is a lack of coordination. They recommended a drug czar.

Mr. WALKER. They were looking at it, I think, from a local level. From their perspective, the various agencies operating here in the City of New York.

When you are talking about investigation or prosecution, the person to look to is the U.S. attorney; the U.S. attorney is charged with those responsibilities, he is charged with law enforcement and he also has a Presidential task force.

Congressman GILMAN. His responsibility would be to bring the local DEA together with the U.S. attorney so that there is good, strong effective effort, et cetera, you said?

Mr. WALKER. Absolutely.

ELIMINATION OF ATF OFFICE

Congressman GILMAN. With regard to ATF, I think you lauded the work of that Department and the loss of several agencies.

Why then was your agency recommending the elimination of that department?

Mr. WALKER. We never recommended the elimination of that department.

Congressman GILMAN. Who recommended elimination of that department?

Mr. WALKER. What we recommended 2 years ago, of course, Senator Abdnor is familiar with having held hearings. We recommended a reorganization whereby the firearms enforcement side of ATF would be merged with the Secret Service.

Congressman GILMAN. You still recommend that?

Mr. WALKER. That is currently a recommendation of this administration.

But as Senator Abdnor knows and the House committees know, we are currently right now under an admonition from Congress not to effect reorganization without the approval of the committees.

Congressman GILMAN. Is ATF personally doing a good job?

Mr. WALKER. It is presently doing an excellent job.

Congressman GILMAN. As far as you are concerned, it should not be eliminated?

Mr. WALKER. It is not a question of eliminating it. The functions obviously have to continue and should be carried forward in a striking manner.

We have differed in the past with Congress as to how best to carry out those functions.

Congressman GILMAN. Just one more question. I now I have exceeded my time.

You have been in place since March, you say, nationwide. You have got about 24 indictments; you don't know how many indictments you have here in this area.

EFFECTIVENESS OF NNBIS

How effective now is NNBIS? Is it working the way you would like to see it work?

Mr. WALKER. Certainly it is not up to par yet.

We are still requesting additional military resources which will take, we were told by the Defense Department, up to 1½ or 2 years before we get them all on line.

We do have substantial resource work going on in problem areas.

I think with the resources we have, we have to be effective. We are not as effective as we will be when we get some $400 million of resources that we requested.

Congressman GILMAN. But that has not been denied you.

Mr. WALKER. It has not, but as you know through your long service in the Government, lots of time can pass between a request and an agreement to submit material and actually supplying it.

Congressman GILMAN. Thank you.

Senator ABDNOR. The Defense Department is not bucking this in any way, are they fully supporting it?

Mr. WALKER. I have no reason to think that they are bucking it.

I think certain people in the Defense Department in the bureaucracy are not as onboard as we would like them, but certainly the policy officials at the top are fully supportive of the efforts. It takes a while to get bureaucracy to function.

Senator ABDNOR. I know when I was down in Tucson visiting some of the ATF and Customs groups, I got to Tucson and saw that acres and acres of surplus of unused equipment at that time, I thought, "My God, if we could just get our hands on that,"

But we have made some progress. But I guess I am one of those that asks myself why does it have to take so long even though I have been around along time.

Can Congress do anything to help step it up?

Mr. WALKER. Congress is doing a tremendous amount to put the appropriate pressure, if you will, on the bureaucracy to assist in this and we certainly appreciate everything that is being done.

Senator ABDNOR. I just wondered if it was doing any good.

Mr. WALKER. I think it is.

On these things, I am frustrated as well; I would like to have this equipment tomorrow, to be able to put it in operation.

Congressman GILMAN. If I might just conclude, to both of you gentlemen, to the Assistant Secretary Walker, who I know has had a long-term commitment in this area and to Mr. Snyder, most of us in the Congress have lauded the Presidential efforts to create these task forces.

As you know, Congress has responded very quickly for any requests made by the task force.

We look to both of you and to all of the task forces to bring about a greater commitment than we have had in the past and I think that is what is bothering all of us here on this panel, that so little has been done and for over such a long period of time, with a nation that has such a great amount of resources and the opportunity to do these kinds of things we should be doing, we have not been doing them and it hurts so many of our young people out there.

We hope that you will put the kind of pressure that is needed in your various responsibilities, if there is any lacking of response, please let us know because we want to help with the Government. We want to help, as they say.

Senator D'AMATO. Mr. Chairman, I wonder if I might just make an observation.

USE OF AIRCRAFT FOR INTERCEPT

The kind of equipment we are talking about, obviously, is necessary. We are talking about the use of planes to intercept. We hear the stories that those bringing in narcotics are better equipped than our own people. Is that a fair statement?

Mr. WALKER. That is absolutely right.

Senator D'AMATO. Obviously if that can have an effect in the Southeast, we can cut down on the flow, as I understand, some of that was done in the Florida region and is going to be helpful. But that is really not going to do very much to deal with our problem here in the Port of New York. Isn't that fair?

Mr. WALKER. I think that is fair.

And I told you what I think has to be done, as far as heroin is concerned. We have got to have better and better intelligence.

Ninety-five percent of shipping in the North Atlantic is containerized; millions of passengers come into New York on flights from Europe and from the Far East. Cars come flowing in from Canada on a daily basis. That is how the heroin is coming into this country.

We have to have intelligence in order to make the proper selections of cars, cargo, passengers, airlines to be able to focus on this problem.

Every effort should be bent toward getting this intelligence to the inspector at the border who is going to make this seizure. This is really a critical aspect, as far as heroin is concerned.

You spoke a minute ago about the transit routes from Southwest Asia. As far as New York, the heroin, at this point in time, make it 80 percent is from Southwest Asia, 10 percent Mexican, 10 percent Southeast Asia, a certain percent coming from Pakistan, coming into Europe, maybe through Germany, through Italy and now southern France is coming back into the picture again.

It is coming in from those areas, coming in passenger cargo. The Montreal connection, which was established and recognized as such back in the early 1960's, is one of the routes that is being followed here.

People come back and forth over the Canadian border by the thousands every hour. And that poses a problem for the interdiction.

So, we have a unique problem, Senator, and you correctly pinpointed that. We have a problem with regard to heroin in the Northeast that is unique from the rest of the country.

Senator ABDNOR. May I ask just one thing?

BEEFING UP OF LAW ENFORCEMENT AGENCIES

I was, over the last summer, in Europe and I visited with our Customs people in England. Now, that pretty well constitutes what numbers we have in Customs, sent over there.

I don't think we have a lot of Customs people over there. They work very closely, and I was glad to see, with Scotland Yard and all the other enforcement agencies in New York.

Does that need to be beefed up? That is a source of where it is coming from. Sometimes it might be easier to stop it better than when it is filtered into this country in smaller amounts.

Mr. WALKER. Under the reorganization of 1973, the responsibility for conducting foreign investigations with respect to drugs rests with DEA.

Customs can be a recipient of this intelligence, but right now under current constraints, we would run into the provisions of that act if we were to ask Congres to beef up our foreign investigator personnel for the purpose of conducting investigations.

Senator ABDNOR. That is the kind of thing we have to figure out, how to work that out. That is DEA. I don't know that much about it. I know some, but not like I do Customs. They do have quite a bit of manpower over there.

Mr. WALKER. They do.

I think you should address these questions to DEA and I think the point I would like to make is what really is the best possible flow of intelligence.

If DEA is going to be conducting investigations abroad, we would like the best possible flow of intelligence from them. I think they are making every effort to supply us with the intelligence that they have.

And, of course, there is always the argument with intelligence as to whether or not the producer is doing enough.

But I have no reason to believe that DEA isn't supplying us with everything that they have that they feel is relevant to our efforts.

ORIGINATION OF MOST HEROIN SOURCES

Senator ABDNOR. Doesn't most of the heroin originate over in Europe and the Far East?

Mr. WALKER. Yes.

Well, it originates basically in Mexico, Southwest Asia, Southeast Asia and it transits through other countries to get here.

Senator ABDNOR. Those countries, are they reluctant to work with our people?

Mr. WALKER. No. I don't think that that is the case. I think they are facing the same kinds of problems we have here.

Germany has a drug abuse problem that rivals our own. This is also true for Italy. Now, this wasn't true 10, 15 years ago, but today it is.

Their political appointees and elected officials are currently fully aware of the need for resources and efforts in these areas, and we are getting good coordination.

But we are dealing with a very highly sophisticated group of criminals who are experienced, many of whom, when you lock them up, they get back on the streets in 5 or 10 years and they are doing it again. These people are experts and they are using every known means of smuggling these drugs into this country and right now, as has been pointed out, they are beating us.

And we just have to do more, we have to supply resources, we have to develop better and better intelligence.

Senator ABDNOR. Gentlemen, we thank you very much.

I know we have kept you here a long time.

Senator D'AMATO. Thank you, gentlemen.

Senator ABDNOR. Should we take a 5-minute break?

[Whereupon, at 1:25 p.m., a recess was taken.]

U.S. Coast Guard

STATEMENT OF VICE ADM. WAYNE E. CALDWELL, COMMANDER, U.S. COAST GUARD, ATLANTIC AREA

PREPARED STATEMENT

Senator Abdnor. Our next witness is Vice Adm. Wayne Caldwell, who serves a dual position. He is Commander of the Coast Guard in our area and he is also Commander of the Third Coast Guard District.

And I might also say that he has been serving as our host here today and has been very, very good and kind and generous with us and we appreciate it very much.

Also, we have with us Mr. Cash, who is Thomas Cash, Assistant Special Agent for the Drug Enforcement Administration [DEA], and with the New York Field Division.

We welcome both of you gentlemen and appreciate your testimony.

Admiral, would you care to start off?

[The statement of Adm. Wayne E. Caldwell follows:]

Prepared Statement of Vice Adm. Wayne E. Caldwell, Commander, Atlantic Area, and Commander, Third Coast Guard District, U.S. Coast Guard

Mr. Chairman, members of your committee and guests, welcome to Governors Island. I am Vice Adm. Wayne E. Caldwell. My jobs in the Coast Guard are to serve our great country as the Commander Atlantic Area and as Commander Third Coast Guard District. This means I have responsibility for coordinating all operational activities east of the Rocky Mountains as well as having operational and administrative responsibilities for Coast Guard activities in all or portions of the states of Connecticut, Delaware, New Jersey, New York, Pennsylvania, and Vermont.

I hope while you're here in New York City, you'll be able to spend a little of your very precious time with us to let us show you some of the exciting things we do to enhance our Coast Guard's operations.

Before I discuss our efforts in combating today's maritime drug smuggling, please let me provide a little historical perspective. Going way back in our country's history you will see that the Coast Guard's first responsibility involved the control of smuggling. The Revenue Cutter Service, which was the forerunner of the Coast Guard, was established in 1970 for the express purpose of combating the smuggling that we so badly hurting our infant Republic. Since then, we have continued to perform such maritime law enforcement work right on through to the present.

The current drug smuggling problem came to national attention about ten years ago in south Florida. Coast Guard vessels there started to seize the pleasure craft that were primarily involved. As our efforts and our effectiveness increased during the seventies, the drug smugglers found they had to replace the pleasure craft with motherships that could carry large loads of marijuana to locations off the coast where smaller boats could be employed to take it ashore. The problem grew rapidly in both scope and magnitude in the late seventies and early eighties. It became particularly acute in south Florida which was the destination for the majority of the drugs. The resultant economic impacts and criminal activity in this region of our country led to the establishment in January 1982 of the Vice President's Task Force on South Florida Crime.

With that as background, I will now discuss the Coast Guard's involvement in attempting to stop smuggling into the Atlantic and Gulf Coast States.

When we in the Coast Guard talk about drug smugglling, we are talking primarily about marijuana. This drug is a bulk commodity that is commonly brought to our country by sea. Thus, while we are obviously intent on cracking down on importation of all durgs, as often seize other drugs, the Coast Guard winds up seizing more marijuana than any other Federal agency.

Our strategy to catch the smugglers is varied. We work very closely with the U.S. Navy, the Customs Service, the Drug Enforcement Administration, the Federal Bureau of Investigation and other Federal Agencies. State and local agenices are also very cooperative and helpful. Coordination between our ships and aircraft in areas where the drug smugglers are known to be operating has been very effective.

Our multimission vessels and aircraft have been particularly successful in interdicting drug traffickers. This often occurs while they are pursuing other responsibilities. For example, in a recent case in south Florida, a Coast Guard cutter was called on to assist a tug that was disabled by a fire and explosion. In the course of providing this assistance, we learned that the fire and explosion were caused by the tug's crew cutting into the fuel tank to remove bales of marijuana.

I have been greatly heartened by the successes we have registered. However, I am also fully aware that the problem is of a magnitude so large that our many successes have yet shut off the flow.

How successful have we been? In 1980, we seized 134 vessels, arrested 728 people and confiscated 2.4 million pounds of marijuana. In 1982 we seized 174 vessels, arrested 1,078 people and took 3.4 million pounds of marijuana our of circulation. That 3.4 million pounds, by the way, represents a street value in excess of two billion dollars. From this you can see that our efforts are providing excellent results. The Vice President's Task Force initiatives, which enhanced the effectiveness of our inter-agency efforts in the south Florida area, certainly contributed greatly to these successes.

There is no doubt that our at-sea interdictions of drug smugglers has forced changes to their operations. We have caused them to alter their traffic to other routes, seek other means of transportation and select different sources of supplies as well as destinations for delivery of their drugs. For example, the number of vessels seized north of the South Carolina border in 1982 was 169 percent of the number seized in 1981; the marijuana seized in 1982 was 432 percent of that seized in 1981, and the number of people arrested in 1982 was 252 percent of those arrested in 1981. As a matter of local knowledge, Senator D'Amato, I think you'll be interested to know that the level of drug smuggling seizures in the New York area so far this year is 400 percent of last year's level.

The increase in drug smuggling activity in the Northeast is undoubtedly due to our successes in the Southeast causing the smugglers to seek longer, more costly routes to alternate destinations. When we can drive the price of smuggling up high enough in terms of the chances of getting caught, in terms of punishment for getting caught, and in terms of the return on the dollars invested, we'll then lick the problem. I understand that a portion of marijuana the size of a package of cigarettes is worth about $70. The same amount of cocaine will net a seller up to $56,000 while pure heroin can bring $117,000. We have a long way to go!

Where then, are we going? I am convinced our present efforts are bearing fruit. While I could always use additional resources, I must conclude our present resources are certainly providing significant levels of interdiction.

We constantly review our efforts to determine how we can become more effective. Coast Guard people are traditionally dedicated to their tasks and I consider them good at doing them. Since we can't work harder, we are trying to work even smarter. To this end, we are beefing up our intelligence program and the Commandant is reallocating people to intelligence duties.

Mr. Chairman, most of my statement up to this point has been a broad overview of the drug interdiction program from the Caribbean source and in the high seas areas. In my job as Commander, Third Coast Guard District I am responsible for our efforts to stop drugs from being imported into the Northeast States from the Maryland border north to the Rhode Island border. This coastline is heavily populated by commercial vessels of all sizes, fishing boats and recreational boats. The coastline is broken up by numerous bays, inlets and harbors. These are factors which are inviting to the smuggler who will try to slip in without suspicion among the crowds of legitimate boat operators. With my available operating units, there is no way we can board every vessel and ensure that no drugs are smuggled into this district; nor do I believe we need that level of activity to provide effective enforcement. Our national efforts of intelligence gathering and interagency cooperation, along with our own Coast Guard's increased emphasis on intelligence analysis and operational strategy are pointed in the right direction.

I hope I have been able to provide you with a better insight into our very intense efforts to combat the drug problem that I consider to such a terrible threat to the well being of our nation. I believe firmly that the U.S. Coast Guard, along with the many other dedicated government agencies, is making headway in forcing drug dealing to become more risky than profitable.

This concludes my prepared statement, Mr. Chairman. May I say again that we are delighted with your interest in our efforts to interdict illegal drugs destined for our shores. I will be happy to answer any questions you may have.

DRUG ENFORCEMENT ADMINISTRATION

STATEMENT OF THOMAS CASH, ASSISTANT SPECIAL AGENT, DRUG ENFORCEMENT ADMINISTRATION [DEA], NEW YORK FIELD DIVISION

ROLE OF DEA

Senator ABDNOR. We will come back to our questions. First we want to hear from Mr. Cash from the Drug Enforcement Administration that played such a big part there.

Mr. CASH. Senator Abdnor, it is a pleasure to appear before this distinguished Commission and before Senator D'Amato and Congressman Gilman, who have long supported the Drug Enforcement Administration's role in the Federal drug effort in the Metropolitan New York area.

By way of introduction, I am the Associate Special Agent in Charge of the New York Field Division of the Drug Enforcement Administration and I have held this position for the last 3 years.

I previously served in Washington, D.C., as Agent in Charge, in Bonn, Germany, and as Assistant Regional Director in Paris, France.

I note that the hearing up to this point has generated a great deal of interest and I know that there are time constraints against which you are working. So, rather than read the prepared statement which I have submitted for the record, I would like to go into a general organizational structure of where we are. Perhaps there are some points that you wish to question me about relative to what DEA is doing.

Senator ABDNOR. I will tell the panel, you can interrupt any time you want to. The DEA we have heard a lot about, a lot comes to mind.

Let me assure you, Mr. Cash, we will put your entire statement in the record because we do want it.

So with that assurance, you go right ahead and summarize and go into what you want to go into.

DEA EFFORT IN NEW YORK CITY

Mr. CASH. Basically, there is a very large effort on the part of the Drug Enforcement Administration devoted to the city of New York.

This is our largest office in the United States and we are organized in three basic entities, one main entity being the New York Divisional Office, which I head, and this is an office of 14 squads devoted to upper level international-type cases.

We also have in that organization two squads of 26 special agents assigned to John F. Kennedy Airport around the clock in response to our Customs referrals, and we have, as well, district offices reporting to me in Buffalo, Albany, Rochester, and Long Island.

Our second entity is the New York Drug Enforcement Task Force, New York Joint Drug Enforcement Task Force is its proper title, established in 1970 through formal agreement with the New York City Police Department, the New York State Police and the Drug Enforcement Administration.

This particular entity is made up of officers from those respective services which I enunciated.

There are approximately 122 New York City Police officers, 22 New York State Police officers, 22 State troopers, 34 DEA agents operating under the DEA umbrella, if you will, relative to the day-to-day enforcement operations, our practices, our procedures and DEA policy, but staffed and alternately supervised by members of those respective forces.

For instance, a chief of the Task Force, Jim Beckner, a senior DEA agent, has served as special agent in charge, an inspector from the New York City Police Department and a captain from the New York State Police.

In addition, the squads of New York Joint Drug Enforcement Task Force are ultimately led by police officers, State troopers and DEA agents.

It is the function of the task force, through a vehicle called the Coordinating or Policy Committee, where the city of New York, the State police, the city police and the Drug Enforcement Administration agree and conspire, if you will, to set the priorities of the narcotics enforcement efforts at the lower and middle levels.

There are, as you are probably aware, 500 narcotics police officers in the various boroughs within the city of New York and these forces are in addition to these 500 police officers.

The Policy Council sets the priority, that is to say the New York Drug Enforcement Task Force priorities against which we will target our investigative manhours and resources.

At the present time 66⅔ percent of our priority in the New York Joint Drug Enforcement Task Force is aimed at herion and 33⅓ percent is aimed at cocaine.

The third entity, and last but certainly not least——

DEA POLICY COMMITTEE

Congressman GILMAN. Mr. Chairman, if I might interrupt, with regard to that Policy Committee, who sits on that Policy Committee?

Mr. CASH. The Policy Committee, Congressman Gilman, is composed of the Chief of Organized Crime Control Bureau, Chief of OCCB, Mr. Jenson, my boss, in charge of Special Agency for Drug Enforcement and the Commissioner of State Prisons.

Senator D'AMATO. Can you be a little more specific?

Mr. Jenson is the head of the DEA here?

Mr. CASH. That is correct.

Senator D'AMATO. You say the——

Mr. CASH. Organized Crime Control Bureau, New York City Police Department.

Senator D'AMATO. That comes under the New York City Police Department?

Mr. CASH. Yes, it does.

The Task Force, by way of explanation, the officers who are assigned to the Joint Drug Enforcement Task Force come from the Special Services Section of OCCB and thus the Chief of OCCB is the second member, and the New York City Police member is the third member of the Policy Council. Now, they meet periodically.

CONNECTION OF U.S. ATTORNEY'S OFFICE

Senator D'AMATO. What connection, if any, does the U.S. attorney's office have? I take it they were involved?

Mr. CASH. On this Policy Council, no, the U.S. attorney is not.

I think perhaps you might be thinking of the Law Enforcement Coordinating Committee, which the U.S. attorney in the Southern District of New York has, with the Attorney General's permission, to create it. It is a committee whereby the U.S. attorney sits down with all Federal and State police officers and police agencies are involved and they review the cases that they are now operating on insofar as who is doing what so that they interface. Once we interfaced, as a matter of fact, with Sterling Johnson in just such a case.

Congressman GILMAN. Does anyone draw this Policy Committee, the Attorney General's Committee and the NNBIS together into one working group?

Mr. CASH. No, sir. Because the Policy Council—now, let's be clear. The Policy Council only establishes the priority of enforcement effort that will be made in the city of New York, the city and State of New York.

NNBIS GROUP

Congressman GILMAN. How do you fall into the NNBIS group?

Mr. CASH. The NNBIS group interdicts straight from the Policy Council that sets forth investigative priorities of the police department.

Congressman GILMAN. They have nothing to do with your group?

Mr. CASH. The interdiction people—NNBIS, no. The interdiction efforts are separate and distinct efforts as opposed——

Congressman GILMAN. Isn't there ever any overlapping?

Mr. CASH. There is a great deal of overlapping from time to time, but what I am saying is that the Policy Council, consisting of those representatives, those police services involved, are directing the effort from a law enforcement standpoint and the Policy Council is not asking NNBIS which is involved in interdiction to rule on what they should be devoting their efforts to entirely.

Congressman GILMAN. Do you see any need to bring all of those three advisory groups together in an overall effort?

Mr. CASH. No, sir, I don't.

I think that they are constituted for different reasons, and I think that it would be more confusing than enlightening.

Congressman GILMAN. Thank you.

Mr. CASH. In any event, the Unified Intelligence Division is probably one of our most important elements. It is a unified intelligence division which is constantly evaluating and developing targets for which the enforcement entities of other divisions would be concentrating their efforts.

We have heard a lot this morning about the Lower East Side. There is a constant effort on the part of the Unified Intelligence Division in developing information in videotaping transactions and videotaping complete operations that take place on the Lower East Side by way of a point of perhaps high interest.

There are some 67 brand names of heroin, for instance, that have been identified on the Lower East Side. There are some 6 so far that we have identified, 6 major groups, who are controlling these 67 brands of heroin and they are sort of a heroin czar. And I know Senator D'Amato and Congressman Gilman, perhaps as well as Senator Abdnor, have been down to the Lower East Side, you have seen things operating at the street level.

DEA attempts to go from the poppy field to the vein and that is indeed a very, very wide mission that we attempt to undertake and we have enlisted and cooperated, I think, historically as an agency, with virtually every other law enforcement agency in the division that would be an entity that would be of assistance to us for as long as I have been with the service.

But we have, with this unified intelligence division, with our New York Joint Drug Enforcement Task Force, and with our Federal office, the new option since the realinement of Drug Enforcement Administration with the FBI and our new option is the selection of priorities, enforcement priorities within the respective core cities of New York's public division.

In New York since 1980 we have made heroin our No. 1 priority. In the New York Divisional Office of DEA, we work approximately 79 percent of every man-hour of every agent in that division in heroin.

In the task force, as I stated earlier, they are divided, 66⅔ heroin and 33⅓ to cocaine in answer to a city problem in the Jackson Heights area of Queens where cocaine is known to be rampant and it is the primary concern to the Brooklyn and Queens area.

Senator ABDNOR. Why would it be limited to that area?

Senator D'AMATO. That is because you have a heavy Colombian population.

COLOMBIAN POPULATION IN NEW YORK

Mr. CASH. Yes, sir. In Jackson Heights, you have quite a number of Colombians. As a result of that, we focus attention to a higher level of intelligence. We view Colombians as the No. 1 importers of cocaine in the United States and, indeed, our investigations have borne that out.

We have, as I say, cooperated with virtually every agency.

I have also heard here today a plea for intelligence information and lest you think that we are providing none, I would like to also set the record clear on that particular point.

We have, I am proud to say, through our excellent relations with the U.S. Customs Service, we have made some tremendous scores, if you will, of some very, very significant traffickers, we call the high-level heroin traffickers, involved in organized crime and other multikilo importation schemes are and do have a direct impact on the Lower East Side, not to mention Harlem, which is also affected.

The intelligence that we contribute is contributed on a real time and daily basis. For instance, in our headquarters in Washington, D.C., we have an analyst in Washington, D.C., an inspector who is on a 90-day TDY at this moment. Every teletype that comes into headquarters of the Drug Enforcement Administration from around the world is handed to that intelligence analyst for review, evaluation and follow-up as he sees fit.

This is a program that began in October 1982. To date, we have furnished them with over 2,500 such items of intelligence information.

In every aspect of our intelligence gathering overseas that we can possibly follow an enforcement action, we enlist the services of the Coast Guard, Customs, the FBI and any other agencies that will be helpful.

We have long said that this is the type of program that we are not going to be able to carry out singlehandedly and our cooperative efforts are very documented for the record.

We have had a number of instances where intelligence that was generated in our attorneys' offices led to seizures made with Customs' cooperation and facilitation in the United States and perhaps there may be two or three of them, at the risk of boring you, that I might mention because it shows right away how these things operate.

I think that we have to go back to a December 1982 case wherein DEA agents from Bangkok, Thailand, working with an informant, brought 33 pounds of heroin into the United States. That heroin had been ordered by some traffickers in New York City.

When the 33 pounds of heroin came into the United States under our control, it was very interesting for us to see the cleverness in the organizational entities that were utilized in this situation.

That 33 pounds of heroin was delivered as it turned out, to two Chinese subjects. The two Chinese subjects, operating out of Chinatown, were initially thought to be the principal designation. After more investigation, surveillance and follow-up, we saw the Chinese take it to two Italians, two Italians noted for their organized crime involvement.

At the time of the arrest—we arrested these two Italians, one guy, Giofredi, passed himself off as an international shoe salesman present only by happenstance at the time of the arrest. We were unable to hold him for lack of evidence.

We did take that information, pass it immediately to our Italian authorities on a continuing basis. The Italians took the ball, ran with it largely as a result of our efforts, Rome's Customs Office was also cognizant of this particular development.

It was January 21, 1983 that the truth of that investigative effort was borne out when the Italians seized 176 pounds of heroin already ship freighted and destined for a shoe store in Manhattan.

This heroin was located in 160 cartons, each carton containing 12 dozen shoes, each box containing 100 kilograms, with the necessity of a trailer truck to move the 160 cartons.

That was probably the most significant seizure that the Drug Enforcement Administration contributed to. This is strictly heroin.

Our followup investigation, we expect to expand on that significantly.

Congressman GILMAN. Before we get to that, I have to return to my duties upstate, and I want to commend the DEA for their continued effective enforcement efforts.

And I would particularly like to extend to Admiral Caldwell our appreciation in the Congress for the good work the Coast Gaurd as been doing and to say that if we can, in Congress, be of any further help in your efforts, I hope you will not be reluctant to let us know.

Thank you, Mr. Chairman, for coming to our region and for assisting Senator D'Amato in his continuing efforts in trying to do battle in this critical area.

Senator ABDNOR. Let me say, Congressman Gilman, we really appreciate your attendance here. You have been a great deal of help to us in this. We all are working together.

Congressman GILMAN. Thank you.

INTELLIGENCE PROGRAMS

Mr. CASH. If I might just continue with a couple of examples of interaction on intelligence, we hear about intelligence, but what is intelligence? It is nothing unless you can act on it, and act on it we have from a variety of sources.

A second instance which we worked with the Customs Service was based on intelligence that came from our office in Pakistan.

An informant in Pakistan had been informed by people involved in heroin trafficking that he wished to use a legal entity to introduce heroin into the United States. He was an importer of glassware.

The glassware was in a containerized ship. The six cartons were 8 feet tall, 7 feet thick, 5 feet wide. They were very bulky and almost impossible to determine which container had the actual heroin even though we were in a position to know the time that the heroin was received by the courier.

What happened, basically, on this is that Customs Service utilized their dog, they did an excellent job. He indicated on one particular carton and we were able, with a great deal of effort, to open that carton, take out the original heroin, substitute it, and allow it to continue on its path. If did not stop here in New York. There were gentlemen waiting for it over in Newark, N.J., from Cleveland, Ohio who were to receive these 4 kilograms of heroin.

We are talking about 8 pounds on the conversion basis.

Again, at Kennedy Airport we had an informant from Beirut, Lebanon, telling us about certain planes—Senator D'Amato mentioned aircraft. There was a very infamous freight line that had been conncected with heroin trafficking or spoken of by a variety of informants who were connected with heroin trafficking and we did alert Customs Service through our offices at JFK and 13 pounds of heroin was removed from the lower part of the aircraft, accessible through a trap door in the aircraft. You could have searched that aircraft from now to the 12th of never, I don't think you would have found that heroin.

So, I believe that we have properly devoted our efforts toward heroin trafficking in New York City and environs. We believe that it is the No. 1 problem and it has to be recognized, sad to say, as

the center of heroin in the United States. We probably believe that our heroin problem is well established.

We have also worked on, most recently in March and in April—after a long year and a half of investigation, we were able to break up two large distribution networks dealing 10,000 bags of heroin per day.

I think that when you were out on the Lower East Side, you probably were advised about how the small amounts of heroin are placed in the selling space for fear it would be robbed by competitors or that it would be stolen or diverted by one of the sellers themselves.

This is at that level a very common occurrence, but this particular distribution network—again, we were working with Sterling Johnson, I am proud to say—and in that particular case, I think you made reference to it today, we were fortunate enough to seize $80,000 in cash and numerous other assets.

There also was the case in Harlem of Freddie Lee Meyers, who the U.S. attorney, Southern District of New York, charged with a particular criminal enterprise.

Mr. Meyers was kingpin of a heroin distribution network of great magnitude. In this particular case, let me indicate to you some of the wealth that was found.

At the time of the arrests, a suitcase was discovered with cash bills of $1,900,000. There was $2.1 million in jewelry. There was $300,000 in cars seized from this individual; 750,000 pounds of heroin, if you can imagine how much heroin that would be to cut up.

We had determined that Mr. Meyers and many others, once incarcerated, developed their own foreign connections. International travel is not unknown, whereas at one point they had to depend on foreign purchases here in New York—the so-called Cosa Nostra people—to supply them. We now find that they are quite entrepreneurial and have done their own things.

These are just some of the efforts we have made, Mr. Chairman, and I believe that we are on the right trail.

But perhaps you would have some points that you would like to clarify and I will be happy to attempt to answer any of your questions.

COOPERATION AMONG VARIOUS AGENCIES

Senator ABDNOR. This cooperation you have going between you and the other agencies, how long has this been going on?

Mr. CASH. In the case of New York Joint Drug Enforcement Task Force that I made reference to earlier, that was the first police, DEA, State police, city task force established. That was established in 1970.

Insofar as the cooperation relative to the organized crime targets that we are pursuing now with the FBI, that was implemented in October.

We started in January and moved into it full steam in March, around that timeframe.

Senator ABDNOR. Started up with the Florida Task Force, that really brought on coordination like we never had before.

Mr. CASH. Well, the Florida Task Force certainly did put in some new ingredients and Congress has been so helpful in giving us access to those military assessments, the introduction of the Coast Guard in a very active role and its enforcement, the Coast Guard being enforced by the Congress. And pursuit of that role, I think, certainly was a kickoff point in increasing the number of agencies involved. That is the FBI, also, as you are aware.

Senator ABDNOR. Do you have any questions?

UPGRADING OF TASK FORCE

Senator D'AMATO. Mr. Cash, in a recent effort to upgrade the task force, I was assured that there would be an assignment of some 35 additional agents, bringing it up to its full complement.

That, again, is not the same task force that you have testified to in terms of the kind of activity you made, is that not correct?

Mr. CASH. That is correct, sir.

Senator D'AMATO. How would we distinguish that task force, one which has a division of city, Federal, DEA agents, FBI agents, from the work you are doing now?

Mr. CASH. Well, it is not exactly clear. The use of the term "task force" is the confusion point that I think we are addressing, Senator D'Amato.

The Organized Crime Drug Enforcement Task Force was named in 1982 by President Reagan.

Senator D'AMATO. There is an Organized Crime Task Force with a full complement of 231 different individuals that are drawn from DEA, so many from FBI; is that correct?

Mr. CASH. That is Organized Crime Task Force.

Senator D'AMATO. How does your group interrelate with that group?

Mr. CASH. We are a part of it, sir.

The Organized Crime Drug Enforcement Task Force consists of ATF, Customs, IRS, DEA, FBI agents. Our 30 agents are assigned to the OCDETF, an integral part of the President's task force.

Senator D'AMATO. In addition to the Organized Crime Task Force, which is one thing which was just started in 1982, right?

Mr. CASH. Yes, sir.

Senator D'AMATO. That is another group that you are in charge of and which you are working with?

Mr. CASH. New York Joint Drug Enforcement Task Force, which is a separate entity established in 1970.

Senator D'AMATO. How do the two groups interrelate?

Mr. CASH. There are cases in the New York Joint Drug Enforcement Task Force that have been named as organized-crime-related cases, and so the New York Joint Drug Enforcement Task Force members work in those cases, are assigned to the Organized Crime Drug Enforcement Task Force. Those cases are selected because they have organized crime elements.

LACK OF SUCCESS CURBING STREET DRUG USE

Senator D'AMATO. One of the problems that comes to mind, and you and I spoke privately just a few moments ago, is that, in spite of this intelligence gathering operation, this work of yours,

there is an apparent lack of success, given the dimensions of the street sales openly, brazenly being conducted in New York State.

You will acknowledge that?

Mr. CASH. Yes, sir, I will have to acknowledge that.

Senator D'AMATO. Given the dimensions of that, the fact of the matter is that the public is cynical, particularly those people in the area who see this, who hear about these task forces, they say that this is just another political exercise.

Don't you think that we ought to do more in the way of pursuing and closing down and arresting on a regular day-to-day basis the street pushers who are out there?

Mr. CASH. I definitely agree with that. That has to be done, sir.

The Drug Enforcement Administration certainly has its priorities, given the number of men that we have, but, nevertheless we do have a history, and I think the record will reflect, as I just made reference to Sterling Johnson's cooperative case of pursuing wherever we can those drug traffickers.

Senator D'AMATO. You do have limited resources?

Mr. CASH. Yes, sir, we do.

USE IN NEW YORK OF ADDITIONAL AGENTS

Senator D'AMATO. Could you use more agents?

Mr. CASH. Yes, sir.

If you are asking me whether we could use more agents, we certainly could.

Senator D'AMATO. How many more agents could you use?

Mr. CASH. Well, sir, that is really a question of a national request.

Senator D'AMATO. Let me rephrase the question.

Mr. CASH. New York is getting their share.

Senator D'AMATO. Let me rephrase the question.

Don't talk like you are back in Washington. All of a sudden I see the political things, New York is getting its share. That is nonsense. I want to tell you something. I don't want to get personal in this.

If New York is getting its share, then we are in deep, deep trouble. If that is the attitude that people have, it is a sad day because New York is being lost. We are losing it in Harlem, we are losing it down on the Lower East Side. We are losing it in affluent communities. It is pouring in. If we can't interdict, if we can't stop the sources, we know there are certain reasons why, things that are beyond our control, we can't cooperate. I understand the magnitude is a problem. If you are talking about bringing me a small quantity of drugs, then we lose a great deal of money, we understand these problems.

But then we have an absolute obligation to go out on the street, spend enough time and resources so that we can track back from the street bust up the chain, instead of just trying to grab the big one and work down.

That is nice, but obviously that has not worked out as well because when you knock off Mr. Nicky Barnes, there is someone else that takes Nicky Barnes' place.

So, I think we cannot simply turn our backs on a problem that has grown to such dimensions that the credibility of law enforcement itself is at risk. It is in jeopardy. People just don't believe.

I want to tell you something. I don't believe when—and I see the kind of thing taking place on our streets, I was thinking of bringing in a delegation, my bank committee down here, to show them New York. I am thinking maybe I will ask a delegation from the Senate to come up and take a look and see what's taking place. We know what is taking place in New York, New Jersey, Chicago, Cleveland, and other urban streets in America, maybe to a lesser extent, but this is something we are just missing the boat on.

In dealing with New York, how many more agents could you use to give you the increased mobility and the ability to come down to the level of work on the street, as well as sustaining intelligence operations that you built and developed, not only here in New York, but throughout the world and Nation?

How many more agents could you effectively put to use? If you got 100 additional agents, would that be too many?

Mr. CASH. No, sir.

Senator D'AMATO. Could you use them instantly?

Mr. CASH. Without a doubt.

Senator D'AMATO. How much more set would it make your operation?

Mr. CASH. It would make us—additional people always give you more avenues to pursue. It is not like we were running short of things to do. It is not like we are looking to fill the time of our agents on the job.

Senator D'AMATO. Aren't your agents working to the stress point? Isn't it a fact that you just don't have enough agents to do all the kinds of things that must be done?

Mr. CASH. That is a fact, yes, sir.

Senator D'AMATO. You can't maintain certain efforts that you would like? You take so much in personnel; is that true?

Mr. CASH. It forces us to prioritize in a higher level in order to——

Senator D'AMATO. When you prioritize at a lower level, certainly no one can say that they are going after the sources, the most significant fellow, because that means a diminished level on the street, isn't that true?

Mr. CASH. It would cut back.

Senator D'AMATO. I want to commend you. You are the first person in DEA who has come forward and said that, that might get you in a heck of a lot of trouble.

Mr. CASH. It probably will, sir. I hope not.

Senator D'AMATO. It is incredible to me to speak to people in the law enforcement area when they tell me all we need is a 10- or 15-percent increase nationwide.

I just think that that is scandalous and shocking. If that is what we are talking about, and we are worried so much about the budget that we can't see where the prudent investment should be made, something is terribly lacking.

Thank you very much, Mr. Cash. You have been very candid, you have been very refreshing, at least in your appraisal of the situation.

I commend you for what you have been doing, given the limited resources. You have given the dimensions of the enemy, the drug traffickers, and their organization.

Mr. CASH. Thank you.

Senator D'AMATO. Admiral, thank you very much for your cooperation, your graciousness.

Let me say how very much impressed I am in terms of this undertaking. You have become so good in drying up the traffic in the harbors.

Admiral CALDWELL. We hope so.

Senator ABDNOR. One last question.

I heard you make the statement that you can't work harder so that you work smarter.

SUCCESS IN COORDINATING EFFORTS

I appreciate that and I know the dollars have been limited to you, but how are you working, speaking of coordinating, how are you doing in that area?

Admiral CALDWELL. I think we are working very much together.

In fact, I can give you a couple of examples, one that I have been in, as I told you, I have been on leave this past week and I came back, just an event which shows you how the different agencies do work together, occurred this past week, and it is particularly good because it involves not only Federal agencies but local law enforcement agencies.

During the past week, the Coast Guard was involved in a cocaine trafficking case with the New York State Police, the Department of Justice Drug Enforcement Agency and the FBI, the Syracuse Police Department, Oneida County District Attorney's Office, and we netted 11 persons being arrested culminating 4 months' investigation, 26 pounds of pure cocaine, $200,000 cash, 6 vehicles—a $200,000 vessel was also seized.

COAST GUARD ROLE

Basically, the Coast Guard's role in that was providing a helicopter transporting some agents down to Norfolk where the arrest was made, but it originated in Syracuse, N.Y. That is what I am saying, that I heard the language today about a czar and we fail to say locals do it together, believe me.

The raw intelligence which I agree, the hardy intelligence bit is a tough thing to handle because everybody thinks he does or he doesn't know everything that is going on out there. I heard that expression today, where DEA was mentioning maybe not getting more stuff, good intelligence. We are not stupid about this. We recognize that we have it, who has to or can use it. If we can use it, any of us are willing to give it to him. If we have something of value, give it to them. They don't protect it like they should. Then it's of no value. That's the problem.

But I think that those are not issues that are very important. I think we are capable of working together but we are in kind of an embryo stage in getting there.

It is slow getting moving, but our cooperation from the Navy and the Air Force today with the Coast Guard is a new revelation and it is very rewarding and I think they are beginning to enjoy it.

Senator ABDNOR. I am glad you feel that way and have that rapport.

CONCLUDING REMARKS

This pretty well winds up our hearing, Senator. This has been a select hearing today. We have had excellent testimony that is going to hopefully be beneficial to the Appropriations Subcommittee that deals with ATF and IRS, but we certainly see it coming together much better today.

Before I started out by having access to your testimony and agencies like yours. I just want to thank you for the help you have been to us.

I know that we have come a way, but it looks like we have a long way to go.

I do want to thank both Senator D'Amato and Congressman Gilman for their input.

Senator D'AMATO. Mr. Chairman, before you adjourn officially, let me once again thank you on behalf of the people of the State, indeed, the people of the Nation, for your leadership in the law enforcement area. These committees do come under your jurisdiction and it is important and particularly gratifying to know that you would take off your time, come here from South Dakota, chair this hearing. It is particularly important to those of us here in New York.

And let me, on a very personal note, say I value your friendship even more, your particular dedication and service to people of our Nation.

Thank you so much for coming to New York and holding this hearing.

Senator ABDNOR. Thank you, Senator.

It is kind of interesting sometimes to see how a rural State with a few people like South Dakota can get together with a Senator from New York with his problems and find out that we have some of the same problems.

We have been together on this subject. It is always a pleasure to work with Senator D'Amato, he is a fighter. I will tell you, I just hang on and away we go.

CONCLUSION OF HEARING

Thank you all. It has been a great hearing. Thank you very much.

[Whereupon, at 2:25 o'clock, Tuesday, September 6, the hearing was concluded, and the subcommittee was recessed, to reconvene at the call of the Chair.]

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